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# Fractional Currency Collectors Board

## JULY 1996 NEWSLETTER

### ANNUAL MEETING

Once again, we are fresh returned from yet another exciting and productive annual meeting at the International Paper Money Show in Memphis. What a wonderful show. As my own collection has grown to the point that new notes are hard to find (due to the \$\$\$ aspect, not the collection's completeness), I find myself maybe enjoying Memphis even more each year due to the education, visiting with old friends, etc. I really encourage everyone to attend next year. Our annual business meeting went very well. Thanks to our "*scribe*," Howard Cohen for a very timely completion and submission of the minutes (note that this year I even included all four pages in the newsletter). After the business meeting, Milt gave a very nice presentation on the building of the fabulous Friedberg collection.

### EXHIBITS

Once again, we had some really great fractional exhibits. We only had four, one of our all time lows, but they were all of very high quality. Bob Laub won first place with his exhibit on fifteen cent Grant/Sherman notes; Doug Hales won second for his exhibit on Fifth Issue Notes--regular and proofs; and I was fortunate enough to be given third place for my exhibit of Fourth and Fifth Issue notes. Al Vonk placed a very nice exhibit showing a Fractional Currency type set. Thanks to all our exhibitors and judges as well as the exhibit chair, our own Mart Delger. I want to challenge everyone to begin preparing an exhibit for next years show. It would be truly great to have **TEN** exhibits! Everyone should be able to do a least a one case exhibit. You have plenty of time to plan, so start doing it now! Also, remember, while rare and gem unc. notes dress up an exhibit, presentation is one of the most important things. My first exhibit was one case showing four notes! So, begin planning now! Second and third place are wide open (to ease stress on the judges, I will go ahead and take first). By the way, one very important part to an exhibit is the title. Don't forget to make one that describes your exhibit and then place it in your first case, and not on your desk.

## EXHIBIT AWARDS

Once again this year, Len Glazer donated the notes and plaques for the exhibit awards. These are some of the most beautiful awards around. Over the years, I have been fortunate enough to receive six of these awards and am very proud to display them all. The exhibitors, winners and all the FCCB owe Lyn a debt of gratitude and a big **THANK YOU** for donating these awards.

## NEW FINDS

There were two new finds pre-Memphis. A 1291-Red back Fessenden with inverted surcharges was found. Also, a 1232-second issue five cent note with inverted surcharges was also found. These are Milton #s 3R25.1H and 2R5.1E. Milt updated and I have included new pages with rarity listings for your encyclopedias. There were no major note finds reported at Memphis, although two new things were seen. The first was a set of six exhibit panels that a collector named Moskowitz did years ago. They were truly beautiful. I am attempting to get more information on these. The other item that changed hands was an original October 1, 1893 Frossard List of the Spencer Morton Clark notes. The only other original I have been able to track down is the one in the ANS collection. I was actually proud owner of this new list for about two hours, but decided it more appropriately belonged in a more advanced collection, so I let it go home to live with a dedicated collector who said he had been looking for it for over 30 years! That was almost as rewarding as actually owning it. I would however, like first refusal on it if it is ever up for sale.

## DELINQUENT MEMBERS

Below are the members who will be dropped before the next newsletter unless we receive their 1996 dues. I sent them each a letter asking them to remain with us and hope they will submit their dues. As you see from the roster, we only have 135 members with these 26, so if they drop, our group shrinks to 109. All I can say is **RECRUIT, RECRUIT, RECRUIT!!**

Andrews, Debbie  
Bauman, K.S.

Craven, Mike  
Fitzgerald, Thomas  
Foulger, Kenneth  
Graves, Joe  
Grooman, Dave  
Haner, Lee

Henderson, Milton  
Herbert, Robert  
Hill, Lawrence  
Kleiman, Mark  
Metzger, Bob  
Neilson, Robert  
Pierce, Sara  
Roberts, Linda  
Self, Everette

Sheads, Harry  
Staub, Louis  
Stotts, C.J.  
Trask, Frank  
Vandevender, Deborah  
Webber, Donald  
Weinzapfel, Donald  
Wilcox, William

## NEW MEMBER APPLICATION

Speaking of recruiting, I have attached the updated new member application herein. Please make sure any you give out have dues at \$22 and Bill Brandimore's address.

## MAIL PROBLEMS

For some reason, the United States Postal Service has been having a hard time finding me. I have not moved, so don't know what the problem is. If you send me something or think you have not received something, call me, drop me another note or contact me on the Internet.

## UPDATED CATALOG OF ENVELOPED POSTAGE

Milt has updated the *"Catalog of Enveloped Postage"* to include all the flurry of activity and discoveries of late. At the meeting, we voted to reproduce it and send it out to all members. If things worked out, it is with this newsletter, otherwise it will be with the next one.

## PHONE NUMBERS

Also at the meeting, the request was made to add phone numbers to our membership roster. Please send me a card or note or E-mail as to your latest number. As you can see from the roster, mine is the only number currently listed. If we can publish your number, send it to me even if it has not changed in years! If you do not send me a note or card, I will take this to mean that you do not want yours published.

## FIRST ISSUE ORDER

Seems that even though I have been studying and researching fractional for almost fourteen years now, I had a misconception! As we all know, there are four different types of first issue notes. Contrary to what I believed and spoke in my talk at the SPMC meeting, the first notes were those printed by the *"National Banknote Company"* with **straight edges**! Then they printed them with perforations. About the same time, it was decided that additional security was needed, so the *"American Banknote Company"* began printing notes with perforations and finished the issue with straight edges. So, the correct order is

1. Straight edges---National Banknote Company
2. Perforated edges-National Banknote Company
3. Perforated edges-American Banknote Company
4. Straight edges---American Banknote Company.

So, live and learn! This is an example of one of the truly great things about Memphis--besides the camaraderie and finds, you will probably always learn something.

P.S.--*"Question of the day"* If William Clark was supposed to have been honored on the five cent third issue note, where was Merriwether Lewis' honor?

## F.U.N. 1997

Everyone get ready to be there! FUN 1997 will be just that--FUN and EXCITEMENT!! It will be what I personally consider the *"Show of a Lifetime."* The FCCB will be having a meeting/get-together. President Hales is working on the details and they will be forthcoming. Also, the SPMC will be having a meeting, date and time TBA. Our own Mr. Friedberg (newly re-elected member of the SPMC board of governors) will be speaking on *"Fractional Currency and Other Bridges to the Civil War Small Change Crisis."* If not required to be given in less than fifteen minutes, this will be an

excellent talk. Efforts are underway to take the content and slides and make them into a slide show for use by members of the FCCB as desired.

Oh yeah! There will also be a small auction at FUN '97 you may be interested in. "*Currency Auctions of America*" partially owned by one of our founders, Len Glazer, will offer an incredible sale on Friday January 10, 1997, the sale of the *Milt Friedberg Collection of Fractional Currency and Related Material*. Len is hard at work cataloging the sale and it will be one of the most important, if not the most important sales of Fractional **EVER!** The catalog itself promises to be a very important reference as are all CAA catalogs. CAA exhibited at their table some of the items in the sale, and everyone was simply drooling. Len told me to let you know that there will be approximately 1000 lots in the Friday night event, with all but one (yeah 1) Milt's. Also, Len wanted me to assure you he is doing the sale so that there will "*be something for everyone!*" We owe Lyn and CAA a big debt of gratitude for this. While CAA and Stacks (cataloged by founding member Martin Gengerke) have been having many important sales of Fractional the past six years, the Delger, Leichty, Gengerke, May, Halpern, DeRosa, etc sales, the largest has been 450-500 lots. The Friedberg sale will be twice as large with many more varieties, errors, experimentals, related material, etc. If at all possible, plan now to attend. Check with your travel agent as some airlines have very low one way fares (no Saturday stay required) on a very limited basis. Plan now and early and you may be able to get a good fare.

## ENCLOSURES

1. New member application for your reference to check the ones you have.
2. Roster showing 135 members with 26 delinquent making 109 actives.
3. Minutes of the 1996 Memphis meeting.
- ~~5~~ 1891 Newspaper article on the death of Spinner as submitted by former member Terry Cox.
- ~~4~~ March 1996 article from The Numismatist on Spinner's signature as submitted by Richard Perricelli.
6. 1895 article from the Vermont on Edwin Stanton also submitted by Terry Cox.
7. Announcement of the Friedberg auction. I tried to attribute numbers to pictures, I apologize for errors.
- ~~9~~ Recent Numismatic News article on Fractional Currency and a nice editorial about the paper money hobby.
- ~~10~~ June 1996 article from The Numismatist on Cents as submitted by Richard Perricelli.
11. Numismatic News article on the silver "trime."
- ~~12~~ Article on Blanche Kelso Bruce (he courtesy autographed Fractional) as submitted by Milt.
- ~~13~~ Article on Encased Postage Stamps as submitted by John and Nancy Wilson.
- ~~8~~ A little blurb on Heath's Counterfeit Detector Notes and an article I found in a January 1862 New York Times about the need and desire for the "*new small change currency.*"
14. A letter I picked up in a recent auction from Matt Rotherth to Rocky Rockholt.



# FRACTIONAL CURRENCY COLLECTORS BOARD (FCCB)

Some of the best advice given to collectors, young and old is "Read the book before you buy." This is a very sound practice and should be adhered to by even "expert" collectors. In the fields of general numismatics and paper money collecting, this is very easily done as there are literally hundreds of references to choose from. However, as a collector gets into a more specialized field, these references are harder to find. This is especially true in the field of fractional currency. There were a number of books written years ago dealing with fractional currency; however, there has only been one major reference written in the last twenty years, and it is increasingly harder to find. So, in order to fully study and understand the field of fractional currency, one has to rely on other methods of information gathering. The best method to achieve this is to be a part of a network of individuals who share the desire to learn and can thus share information. To this end, the **Fractional Currency Collectors Board (FCCB)** was formed in 1983 by a group of fractional currency collectors at the Memphis International Paper Money Show. The FCCB is made up of men and women who are interested in the study and collecting of fractional currency. Current membership is around 150 and includes the best known collectors in the hobby.

Membership in the FCCB allows for the needed interaction with other collectors of fractional currency and provides a vehicle for sharing of hard to find information and references. Newsletters are published on an "as news indicates" basis and include new information/articles on fractional currency as well as updates to the *Encyclopedia of United States Fractional and Postal Currency* by Milton Friedberg. Each member gets a copy of the encyclopedia, and a copy of the new beginners book of Fractional upon joining. Also, annual meetings and an educational seminar are held in Memphis at the International Paper Money Show, thereby providing yet another chance for information gathering and exchange. Dues are \$12 per year after the first year which is \$22.

The FCCB derives its' name from the initials of one of the earliest fractional currency collectors, F.C.C.Boyd. During the 1930's, he bought many large and impressive collections such as the Proskey and much of the Brand collections. During this time, he also amassed his incredible collection of fractional currency which today remains virtually intact.

-----DETACH HERE AND RETURN-----

## APPLICATION FOR MEMBERSHIP THE FRACTIONAL CURRENCY COLLECTORS BOARD c/o BILL BRANDIMORE MEMBERSHIP CHAIRMAN 610 FIFTH STREET WASAU, WI 54401

ATTACH \$22.00 FOR FIRST YEAR DUES AND THE LATEST UPDATED COPY OF M.R.FRIEDBERG'S "ENCYCLOPEDIA OF UNITED STATES FRACTIONAL AND POSTAL CURRENCY" and "THE BEGINNERS GUIDE TO FRACTIONAL." MEMBERS RECEIVE NEWSLETTERS AS ISSUED AND HAVE FULL VOTING PRIVILEGES. DUES AFTER THE FIRST YEAR ARE \$12/YEAR.

NAME \_\_\_\_\_ COMPANY NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

WORK PHONE (     ) \_\_\_\_\_ HOME PHONE (     ) \_\_\_\_\_

COLLECTOR\_\_\_DEALER\_\_\_COMBINATION\_\_\_ DATE SUBMITTED\_\_\_/\_\_\_/\_\_\_

MEMBERSHIP RECOMMENDED BY \_\_\_\_\_

MAY WE INCLUDE YOUR ADDRESS IN OUR MEMBERSHIP LIST? YES\_\_\_ NO\_\_\_

# **MINUTES**

## **FRACTIONAL CURRENCY COLLECTORS BOARD**

### **ANNUAL MEETING - 1996**

The 1996 Annual Meeting of the Fractional Currency Collectors Board (FCCB) was called to order at 2:08 P.M. (the scribe was late), June 22, 1996, President Doug Hales presiding. The location of the meeting was the Holiday Inn Crowne Plaza Hotel, Memphis, Tennessee. This FCCB 1996 meeting was scheduled during the 1996 International Paper Money Show. Attendance totaled twenty-one (21) members and guests at the start of the meeting.

President Hales announced the FCCB "Officers" to those in attendance: Doug Hales, President; Milt Friedberg, Vice President; Benny Bolin, Executive Secretary and Newsletter Editor; Dr. Wally Lee, Treasurer; Martin Gengerke, Liaison to the ANA; Chief Bill Brandimore, Membership Secretary; Howard Cohen, Scribe.

Doctor Lee was requested to give the Treasure's report. Dr. Lee stated that the FCCB had an account balance of US\$2,824.58. There were 28 "deletions" of members (those whose membership dues were not paid at the end of the "grace period".) Dr. Lee reported a net current membership of one hundred twenty-two (122). Benny Bolin stated that the membership had been one hundred thirty-five, that there were deletions, but new members had been added.

Benny Bolin, as an aside, stated that the new membership fee was \$22. There apparently are some old membership application forms still "out there" with a stated new membership fee of \$15. That these are "out there" is evidenced by the FCCB still receiving these forms from new members. These forms are obsolete. Mr. Bolin stated that, if any member had the "old \$15 new membership forms", the old forms should be discarded.

President Hales announced that the officers of the FCCB were all volunteers and served at the pleasure of the membership. President Hales said that any member who wished to serve as an officer could do so, by volunteering. President Hales indicated that he had previously announced the officers and now asked if there were any changes to this "slate". A motion was made to retain the current officers. This was seconded and, without dissent, approved.

It was announced that member Milt Friedberg had updated the "Enveloped Postage" List. This Update will be sent to all FCCB members in the next mailing.

An inquiry was made from the floor requesting that the telephone numbers of the members be included on the published membership list. Benny Bolin said that the FCCB did have the telephone numbers of most of the members. Several comments made during subsequent discussion indicated that the telephone numbers may not be "currently correct" and that some members may not want their telephone numbers published. Given this, it was concluded that, in a mailing, members should be (1) asked to list their currently correct telephone numbers and (2) asked to indicate if they wanted these numbers to remain non-published.

President Hales asked if there should be an FCCB meeting in Orlando in January of 1997, since it appeared that many FCCB members would be in Orlando at that time for the auctioning of the Milt Friedberg collections. Discussion indicated that a formal "meeting" was not, necessarily, the vehicle desired to get the members together - perhaps some type of social gathering might be more appropriate. President Hales said he would

check with principals of Currency Auctions of America (the auctioneers of the Milt Friedberg collections) to see if some arrangements could be made to accommodate such a gathering. This will be reported to members in the future, within a newsletter.

President Hales announced that the 1996 Awards Presentation for Fractional Currency exhibits at the International Paper Money Show would be done by Martin Gengerke, representing the judges of the exhibits. Mr. Gengerke announced that the judges believed all exhibits to be outstanding. The 3rd Place Award was given to Benny Bolin for "THE END - Fifth Issue Notes". The 2nd Place Award went to Doug Hales for his spectacular "Fifth Issue - February 26, 1874, to February 15, 1876: Ten Cents, Twenty-Five Cents, Fifty Cents, and Proof Reverses". The 1st Place Award went to Bob Laub's beautifully exhibited "The Fifteen Cent Grant/Sherman Essay: 'Not a General Issue' ". The Plaques and Fractional Notes were generously provided by Len and Jean Glazer, with the assistance of Martin Delger.

President Hales then called for the meeting's presenter, Milt Friedberg, to speak to the attendees on this year's topic, "The Formation of the Milt Friedberg Collection".

Mr. Friedberg stated that his interest in collecting is and was going to continue. His newer interests are Teddy Bears, Hankerchiefs, and Souvenir Cards (each logically related to one another).

As for his Postage and Fractional Currency and related collections, Mr. Friedberg said that he came from a family of collectors. His dad was a stamp collector, emphasizing in foreign stamps. Milt began to collect U.S. stamps, in "competition" with his father. Milt "built" his U.S. collection to quite a formidable size. This collection was eventually auctioned. His father gave him his foreign stamp collection, which he added to and sold at auction also.

Some time, most probably in the late 1950's, Milt's dad gave him several pieces of "back of the book" items, as listed in the Scott Catalogue. These were pieces of Postage Currency. (Note: The Scott Publishing Company produced catalogues of stamps for use by collectors. In its Specialized Catalogue of U.S. Postage Stamps, stamps were given "catalogue numbers" for use in listing and referencing. The beginning of the catalogue listed regular, special, and commemorative issues. The back of the catalogue listed Revenue Stamps, Special Delivery Stamps, Duck Stamps, ... , and even Postage Currency!!!) Milt retains these pieces given to him by his father and showed these to the audience.

Milt was "put in contact" with Les Merkin, a well-known New York coin and currency dealer. Les Merkin occasionally published price lists. List #4, published in 1963, was the Calfield Collection. Much of what Milt initially obtained was from this List #4.

Milt stated that Les Merkin was truly instrumental in provoking Milt to learn about Fractional Currency, by always challenging Milt to "learn about what he was getting and doing". What Milt found was that there really was not that much information about Fractional Currency. Whenever he found information about a particular piece of fractional currency, he wrote the information on a 8 1/2 by 11 inch piece of paper. Each different note had its own separate sheet(s). Soon, it was evident that the Robert Friedberg catalogue numbers were not sufficient to categorize fractional notes. This led Milt to develop his numbering (cataloging) system.

Milt was recording a considerable amount of information. While logging hundred's of thousands of miles on airplanes on business travels, Milt used the in-cabin time to fill out the 8 1/2 by 11 inch pieces of paper on which he detailed the characteristics of fractional currency notes. A business venture required his monthly presence in southern California. There he spent much time doing research at the Los Angeles Public Library.

About two years after he had made his purchases from Les Merkin's List #4, Milt met a young person at a show who was filled with information about fractional currency and who wanted information from Milt. This person was Martin Gengerke. That began a considerable and continuous exchange of information.

Sometime while or after Milt's purchases from Lester Merkin's List #4, Milt learned that many of the specimen's from List #4 had been sold to a dealer in Washington, D.C. The dealer's name was Jay O. King. Milt was to buy many of the specimens in his (Milt's) collection from Jay O. King.

In the mid-1970's, Martin Gengerke joined the firm NASCA (Numismatic and Antiquarian Service Corporation of America). The publication of Milt's research notes (the 8 1/2 by 11 inch research pages) into a literary reference was put forth as a proposition to NASCA's officers. The proposal was accepted, and Herb Melnick (of NASCA) became project coordinator. This "project" became The Encyclopedia of United States Fractional & Postal Currency, authored by Milt and edited by Martin.

Milt, in his talk, indicated that the production of "The Encyclopedia" led to his finally learning to use a computer. Martin had computerized Milt's research records. This stored information was in New York. Milt's research files (pages), however, were in Ohio. So, to "join" the two activities of recording information and storing information into a readily manipulated medium (i.e., a computer), Martin helped teach Milt how to use computers.

Among the significant bits of information revealed for the first time in a widely circulated reference was that the chronological order of postage currency was (1) straight edges, no monogram, (2) perforated edges, no monogram, (3) perforated edges, with monogram, and (4) straight edges, with monogram. Prior to Milt's research, it was generally accepted that the perforated issues (with monogram and without monogram) preceded the straight edge issues. (Scribes note: Conjecture and innuendo explain why researchers, prior to Milt, thought that the perforated varieties were issued prior to the uncut varieties. D. W. Valentine, in his Classification and Check List - "Fractional Currency" of the United States, clearly stated that "...it has been most difficult to obtain positive information as to which variety of the first general issue was the first issued". Valentine stated that, from the facts available, it was probable that the perforated edge preceded the cut edge, and the monogram ones preceded the ones without the monogram. To indirectly "verify" this, Valentine cited that a Mrs. Whitman, daughter of a neighbor of F.E. Spinner, recalled conversations between her father and Spinner regarding objections to the perforated edges. In his A Guide Book of United States Fractional Currency, Matt Rothert cited Valentine's reference to Mrs. Whitman's recollection of dissatisfaction with the perforated issues, but then Rothert took this a little further by saying, "this situation was soon rectified when edges were made straight". "Lore" among Fractional Currency collectors is that Rothert's close friend, H.K. Crofoot, was befriended by Spinner's granddaughter; it was this Spinner relation (granddaughter) who stated that the perforated varieties were issued first; and this confirmed Rothert's belief that perforated issues came first.)

The audience asked Milt several questions, among which was "what collections, other than the Calfield and Jay O. King collections, provided material for your collection?" Milt cited Superior's sale of the Frosser Collection in February of 1982 as one source. He said that a great source was the Joer Collection. Milt said that, at some coin show in the 1970's he saw a few fractional related items at the table of a Willoughby, Ohio, coin company called Cozy Coin. Several weeks or months after this encounter, Cozy Coin contacted him and told Milt that they had a collection that it wanted him to see. Milt went to the coin shop (which was in one-half of a former gas station) and there saw a massive collection of regular notes, error notes, signature notes, etc. Unable to make any reasonable offer for this collection, Milt contacted two dealers in New York, who came to

see the collection and who made an offer. The proprietor of Cozy Coin did not "take a'fixin" to these boys from the city, and, for a lesser sum, sold most of the regular notes to Harry Jones and the error and signature notes to Milt. (The collection was the Joer collection, whose location was unknown for many years.)

With this, Milt's talk ended and President Hales asked for "new discoveries". (Scribes note: redundant). The Inverted Bronze Surcharge on the Reverse of R. Friedberg's FR1291 has been found. This is Milt's 3R25.1h., reported by MILT as "Unknown". And, it is supposedly in GEM UNC condition. Also in UNC condition and formerly unknown is an Inverted Surcharge on the Reverse of a 2nd Issue note obtained by Bill Brandimore. (Note: The Scribe did not get either Friedberg number for this note. So, FCCB members can write directly to Bill Brandimore; or, Brandimore can send some detailed information to the Newsletter Editor.)

With that, the meeting adjourned.

## Spinner's Signature a National Symbol

**T**HE DISTINCTIVE signature of Francis Elias Spinner adds to the appeal of paper money issued under his authority. It has been described as resembling the track of a drunken crab playing tag with a corkscrew.

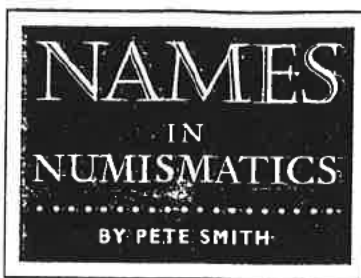
Spinner was born in German Flats (later renamed Mohawk) in Herkimer County, New York, on January 21, 1802. His father, the Reverend John Peter Spinner, was a former Catholic priest. In the community named for the heritage of its residents, he preached in German and English in the German Reformed Church. His mother was the former Mary Magdalene Fidelia Brument.

Spinner's education came mostly from his father. Late in life, he commented that he learned nothing in the public schools. He apprenticed as a harness maker and as a candy maker. In 1824 he began a successful career as a merchant.

Spinner married Caroline Caswell on June 22, 1826; they had three daughters. He eventually rose from the position of cashier to become president of the Mohawk Bank. His signature first appeared on paper money on the notes issued by this establishment.

In 1834, Spinner was promoted to the rank of major general in the New York State militia. He also held a succession of positions in public service. He was a deputy sheriff in 1829 and sheriff of Herkimer County from 1834 to 1837. In 1838 he was appointed commissioner for construction of the state lunatic asylum in Utica, New York. He was the state inspector of turnpikes from 1838 to 1855. From 1845 to 1849

he was Deputy Naval Officer-in-Charge of the Port of New York. He also served briefly as treasurer of the



Mohawk Valley Railroad Company.

Representing the anti-slavery wing of the Democratic Party, Spinner won election to Congress for the term beginning March 4, 1855. He switched to the newly formed Republican Party and won re-election for two more terms, serving through March 3, 1861. Spinner was a strong supporter of Abraham Lincoln, who appointed him Treasurer of the

United States beginning March 16, 1861. Salmon P. Chase was named Secretary of the Treasury.

Spinner is credited with breaking the barriers for employment of women in government. When many young men left government jobs to fight in the Civil War, he strongly recommended to Secretary Chase that women be hired to fill the vacancies. (This practice also saved money, as women were paid about 60 percent of what men earned in comparable jobs.)

The federal government needed paper money to support the war effort. On July 17, 1861, Congress authorized the printing of paper currency; at the same time, it suspended specie payments. During the next few years, the government initiated several new series of currency.

The demand notes dated July 17, 1861 (known as "Greenbacks"), were the first issues of United States currency. They were signed by clerks using their own names (but signing for the Treasurer and Register of the Treasury). The next issue of paper currency comprised the legal-tender notes dated March 10, 1862. These featured the printed signatures of Treasurer Spinner and Register of the Treasury Lucius Chittenden. Compound-interest Treasury notes



Francis Elias Spinner was appointed Treasurer of the United States by President Abraham Lincoln in 1861. His distinctive signature appears on

many of the country's early legal-tender notes, compound-interest Treasury notes, interest-bearing notes and gold certificates.

dated March 3, 1863, also carry the printed Chittenden-Spinner signature combination. The rare interest-bearing notes issued under the Act of March 3, 1863, bear the same signatures.

The first gold certificates also were issued under the Act of March 3, 1863. These bear Spinner's actual, handwritten signature. National Gold Bank notes of California issued after the Act of July 12, 1870, feature the signatures of Spinner and John Allison.

The National Bank note series offers the opportunity to collect the signature of Spinner with four successive Registers of the Treasury: Chittenden, Stoddard Colby, Noah Jeffries and John Allison. The Jeffries-Spinner combination is the most difficult to obtain, as Jeffries was Register of the Treasury for less than 18 months.

Spinner's signature was a national symbol recognized by almost everyone who spent money. It did not resemble his usual handwriting, but was developed over his career to confound counterfeiters. Many bank notes with Spinner's autograph were signed by clerks trained to copy his distinctive style.

There was a shortage of small change during the Civil War as gold and silver coins were hoarded. The era produced a rich variety of substitute moneys. Many merchants issued pieces that early collectors called "rebellion tokens" (now known as Civil War tokens). Postage stamps were used briefly, but did not hold up well in circulation. Some merchants produced brass cases with mica windows to protect postage stamps during circulation; others printed small envelopes to enclose the stamps.

Spinner had another idea. He experimented with stamps stuck on government security paper. These were followed with currency in small denominations featuring illustrations of contemporary postage stamps. Spinner is credited with introducing "postal currency," which later became known as "fractional currency." The first and second issues of fractional currency do not bear official signatures. Spinner's name does, however, appear on the third. Some varieties have printed facsimiles while others carry actual autographs.

Lewis and Clark were the intended subjects for the 5-cent de-

nomination of fractional currency, but Spencer M. Clark, the head of the Bureau of Currency, decided to place his portrait on these notes instead. Congress reacted by passing legislation that forbade portrayal of a living person on currency. Before the law took effect, however, William Fessenden was pictured on the 25-cent note and Spinner on the 50-cent issue. Secretary Chase also was featured on currency.

The first U.S. paper currency was printed by private bank note companies in New York City and shipped to Washington by train. Spinner analyzed the costs and determined that the government could do the job for less. He convinced Secretary Chase of the savings and began to set up what would later become the Bureau of Engraving and Printing. The

bank note companies lobbied heavily against Spinner and spread rumors of problems in his department.

Concerned about security, Spinner slept on a cot in his office at the Treasury Department. He frequently walked the halls at night, checking locks on the vaults and chatting with the cleaning ladies. Guards had to be alert in case their boss wandered by in his nightshirt and slippers. Local papers dubbed Spinner "The Watch Dog of the Treasury."

Early on the morning of October 10, 1862, charwoman Sophia Holmes found a box behind a chair in room 1224. Opening the lid, she saw that it was full of money. She believed the box was hidden by a thief who intended to return for it when no one was around. Sophia turned up the kerosene lamps and sat in the room, hoping that General Spinner would come by. True to form, Spinner made his rounds about 2 a.m., found Sophia, and summoned the watchmen. The box contained \$200,000 in newly printed currency. Sophia received a commendation from President Lincoln and an appointment to the \$660-per-year job of janitress. (Her previous position as charwoman paid only \$180 per year.) Holmes was the first black woman appointed to a federal government job.

Spinner resigned as Treasurer on June 30, 1875, and moved to Florida for health reasons. He remained socially active and took up the study of Greek when he was 80 years old. After suffering from facial cancer, he died in Jacksonville, Florida, on the last day of 1890.



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THE LATE GENERAL F. E.  
SPINNER.

[N the death of General Francis E. Spinner, which occurred in Florida on the 31st ult., one of the unique characters of our late history, and one of the purest of American patriots, disappears from the stage of action. Born in 1802, and honorably identified with the affairs of his native State from 1824 up to 1854, it was not until he entered Congress, first as an anti-slavery Democrat and then as a Republican, that

his abilities found befitting manifestation, and not until he became United States Treasurer in 1861 did the really commanding qualities of the man elicit adequate national recognition. From 1861 to 1875 he was literally "the watch-dog of the Treasury," displaying in the discharge of his responsible duties a sturdy integrity, a watchful efficiency, and an unselfishness of purpose which commanded the admiration of men of all parties. The nation has never had, in all its history, a more honest and conscientious official. General Spinner was a man of positive and aggressive views, and he never compromised a conviction deliberately formed on financial or other subjects. The last years of his life were marked by great suffering, caused by cancer in the face, but he bore it all with the utmost resignation, waiting patiently for the end. His remains were brought North and deposited among those of his kindred at Mohawk, New York.



THE LATE GENERAL F. E. SPINNER, FORMER  
UNITED STATES TREASURER.



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MRS. EX-GOV. J. GREGORY SMITH.

# Reminiscences of Edwin M. Stanton.

BY MRS. J. GREGORY SMITH.

If I remember correctly, during the summer of 1864, I was in Washington with Mr. Smith, then Governor of Vermont, and in the War Department first saw Mr. Stanton. His piercing black eyes, unusually large, and his grand, stern mein somewhat awed me, but his words were courteous and his manner reassuring. After the important business that had called my husband to Washington was disposed of, Mr. Stanton invited us to meet him in the evening at the Soldier's Rest, a few miles from the city, where his family were then stopping. I remember he came in late, about nine o'clock, and almost immediately began conversation with me. "How does the war affect you in Vermont?" he said. "Not very seriously," I answered, "things go on much as usual. Of course, we are intensely anxious, but it is only as we hear of the wounding or death of some acquaintance, that the reality is forced upon us." "Ah," said Mr. Stanton, "I fear it is so, *the people don't pray enough.*" he added with emphasis, "they eat and drink, they marry and are given in marriage, forgetting the mortal throes in which the nation is struggling, the horrors of war, and its fearful uncertainty."

He was fatigued, sad, and depressed. I spoke hopefully, endeavoring to cheer him. "My Spanish castles are in Vermont," he said, "when I am tired and discouraged and everything looks black, I close my eyes and imagine how cool, green, and quiet it is away off in Vermont." An invitation was given him that evening to visit his "Spanish possessions" whenever the exigencies of the government would permit him to leave Washington. Three years afterward we were honored by a visit from Mr. Stanton and his family, but before that time the realities and horrors of war were forced upon us in a very unexpected manner. October 19, 1864, Bennett Young and his murderous crew of Southern refugees in Canada raided our quiet village, scattered Greek fire among our buildings, shot two of our citizens, killing one (strangely enough, a "copperhead,") robbed the banks, stole horses, and fled across the Canada line. For nine months thereafter our house was a military station, guarded by United States soldiers night and day!

Mr. Stanton arrived at St. Albans on the evening of September 5th, 1867. As soon as the dust of travel was removed, he went out upon the lawn and ran around like a boy, exclaiming "I can breathe, I can breathe in this air!" He was a sufferer from asthma and the pure atmosphere of a high locality was to him an elixer. It was a great pleasure to see him so comfortable, care-free and happy: after the turmoil and strife of battle, came relaxation and rest. Iron will and inexorable severity were laid aside, the stern Roman was companionable, gentle, even gay, joking with the young people, playing croquet with the children, walking in the grounds, taking long quiet drives in the country, attending church and Sunday school, greatly enjoying the services.

We gave one general reception for the famous Secretary of War and hundreds of our townsmen as well as people from other parts of the State availed themselves of the opportunity to pay their respects to this man, only second to Abraham Lincoln in shaping the war policy of the nation. But the quiet social hours spent in unrestricted interchange of thought were what we most enjoyed. At such moments Mr. Stanton related some of his wonderful experiences. Upon one occasion he recounted the extraordinary circumstances which enabled him to win the famous bridge lawsuit that made his reputation as a lawyer. The case was an obscure one and he fell asleep one night striving in vain to grasp a point in law that would save it. Going into his library in the morning, he found to his inexpressible astonishment, a brief in his own hand writing made during a fit of somnambulism, which solved the difficulty and won the suit!

One evening when a few familiar friends were gathered in the library, the subject of woman's rights was introduced. After remarks from others, Mr. Stanton somewhat surprised us by saying, "I am an advocate of woman's suffrage. I was converted by reading the works of John Stewart Mills." One of the gentlemen answered, "If you ~~give~~ them the right to vote you give them the right to rule."

"Most certainly I do," Mr. Stanton replied, and the history of Europe demonstrates that whenever women have reigned, the government has been more humane and beneficent, the people have been happier and the nation more prosperous than under the rule of men. It has been the same in India when princes have died and queens have governed during the minority of their sons." Facts are certainly more convincing than theories, and Mr. Stanton made the strongest argument I have ever heard in favor of woman's suffrage.

Upon another occasion when the St. Albans raid was discussed Mr. Stanton said, "The day of the raid was one of the darkest during the war. For two days previous I had been at the Department continuously, not daring to leave the telegraph which brought the most alarming intelligence. Harper's Ferry one of our strongest fortresses had been taken by the enemy, and their army was approaching Washington. We were defenceless, at the mercy of a triumphant foe. On the afternoon of October 19th, came news that a battle was raging at Cedar Creek, followed by a telegram from the north that St. Albans was in the hands of southern refugees, who were burning the houses and killing the citizens. The wires then stopped working and I could but fear the worst had happened. The hours of night dragged slowly on. The suspense was intolerable and about six o'clock in the morning I became so wretched and restless that I went out into the street and walked rapidly up the Avenue hoping thus to regain some measure of tranquility. Presently in the grey light of the early dawn, I saw a solitary cavalryman dashing down the street at a tearing gallop. —My heart sank—the worst had happened I thought, the army routed and panic stricken is flying from pursuers to a place that affords no protection; this man is the advanced courier bringing the dreadful news. I held up my hand, ordering him to halt. Breathless with excitement and his furious ride, he panted out, "There has been a great battle

at Cedar Creek, the enemy became entangled in the streets of Winchester. Tremendous victory! thousands of prisoners and forty-five cannon captured." Throwing up my hand towards heaven I exclaimed, 'Thank God,' I will now go home and sleep." Immediately after came word from St. Albans, that the raiders had fled into Canada and the town was strongly guarded.

After a visit of a week, Mr. Stanton returned to Washington and presently wrote me a letter of thanks for our hospitality, which letter was a model of courtly elegance.

Thirty years have passed since those memorable days and in the grave events which have occurred during that period many incidents are forgotten, but one which was committed to paper soon after its occurrence in 1863 or 1864 is of unusual interest.

Mr. Smith's official relations with the Secretary of War were always very agreeable, and the acquaintance thus formed, soon assumed a social and confidential character. When Mr. Smith went to the War Department he was often invited to leave the ante-room and await his turn in Mr. Stanton's private office. After business matters were completed, they would converse upon other subjects of mutual interest. Upon one of these occasions the servant brought in a card which Mr. Stanton glanced at and in a changed peremptory tone said, "Show the person in!" A lady of quite imposing appearance entered whose elegant dress and easy manners indicated thorough acquaintance with the etiquette of the fashionable world.

"What is your wish madam?" said Mr. Stanton in a stern voice.

"Mr. Secretary," said the lady in a deprecating tone, "I come to implore your clemency in behalf of my husband. He is as you know an exile in Canada, and I beg you to allow him to return to his home."

Mr. Stanton paused as if formulating words for an answer, and then said in a tone not to be misunderstood or contraverted, "Yes madam, your husband may return—I am quite willing he should do so—and as soon as he crosses the line—I will hang him!"

The lady bowed and retired and Mr. Stanton turning to Mr. Smith, said, "Did not my answer appear to you very savage? He replied that 'It did seem unnecessarily severe.'"

"It will not appear so," said Mr. Stanton, "when I tell you the story of that woman. Her own and her husband's family have for generations fattened at the public crib. They have held some of the most lucrative and confidential offices in the gift of the government. How have these pampered pets returned the nation's favor in the hour of peril, when her very existence was threatened?"

At the beginning of the war certain policies of the government and certain movements of the army were decided upon, known only to the President and myself, and kept by us, as we supposed, profoundly secret, a precaution absolutely necessary for their success.

What, then, was our dismay, upon inaugurating the initiatory movements, to find the enemy thoroughly acquainted with our plans, and prepared for us at every point—a circumstance which could not have been possible unless we had been betrayed, in a most dastardly and outrageous manner, by some person near us. Who then was the traitor? Sus-

picion pointed directly to the husband of this woman. He was arrested, but nothing could be proved, and upon the most solemn assurances of innocence and oaths of loyalty, he was released.

Again the treason was repeated, a second time our councils were betrayed and our plans baffled. The whispers of the secret chamber were bruited in the camp of the enemy; disaster and defeat followed. Now we were convinced of what we had before suspected—officers were immediately dispatched for the arrest of the traitor, but he could not be found. Upon investigation it was discovered that this perfidious knave had fled to Canada, and that his accomplice and emissary was the woman who stood before us this morning, who by night, in disguise, had upon both occasions, carried her ill-gotten information into the camp of the enemy."

Mr. Stanton paused awhile in thought, remembering, no doubt, the disheartening delays, the unexpected failures, the waste of money, above all the suffering and death of loyal men, caused by this woman's treachery. Presently he spoke again, "Was my answer to this woman too severe?"

"No" was the prompt reply, "you could not have said less."

At this moment another card was brought in by the waiter. A pale, sad-eyed woman followed, whose rusty, travel-stained garments and timid manner marked her as belonging to the class sometimes called the decent-poor. Mr. Stanton went forward, greeted her in a friendly manner and offered her a chair. She trembled, her eyes filled with tears, as in a broken voice she faltered, "Mr. Secretary, I gave my husband and one son to the country. They are dead, and now my youngest, all I have left, a minor, who enlisted, to fill in some measure the place of the lost, is ill in a hospital and I come to ask for his discharge."

There was no need to examine the credentials that confirmed this story, evidently "She had known sorrow, he had walked with her, oft supped and broke with her the ashen crust."

The contrast between this woman and the one who preceded her, the diversity in dress and manner, and above in the nature of the errands, was very striking. One, assuming the mask of humility, bowed low and craved the clemency of the power she hated and had striven to destroy; the other transparent in honest purpose, told her story so simply, that the favor was granted almost before the request was made. No magic spectacles were required to read these characters. Without a word Mr. Stanton took a blank, wrote the boy's discharge and presented it to the poor mother who speechless with emotion hastily left the room.

In this incident are seen the prominent characteristics of this remarkable man; his loyalty and abhorrence of anything dishonorable or treacherous, his stern sense of justice and fearless adherence to his conviction; with these loftier virtues, oh rare combination, a tender, sympathetic nature. His life was, from the stress of circumstances, a conflict of the moral antinomies, head struggling with heart. Such antagonisms belong to the imperishable attributes of humanity and may we not hope that in the present state of this lofty soul's existence, they are happily conciliated.

# ***THE MILT FRIEDBERG COLLECTION***

**OF U.S. FRACTIONAL CURRENCY  
AND RELATED MATERIAL**

**will be sold by**  
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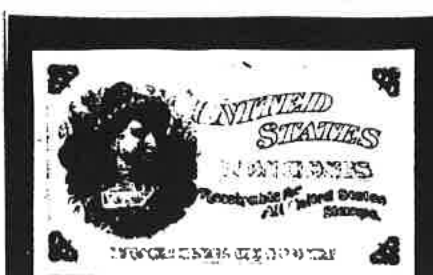
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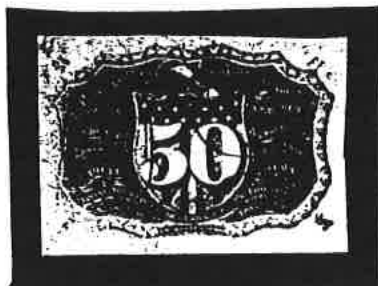
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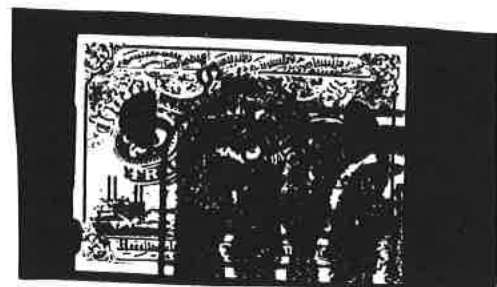
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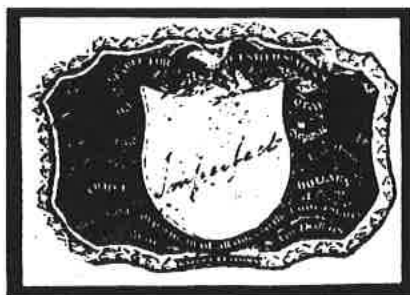
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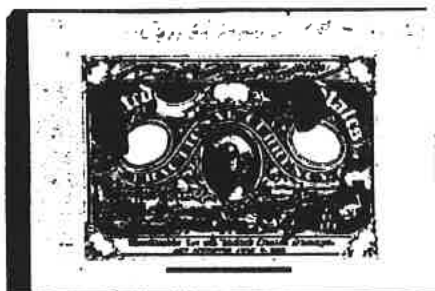
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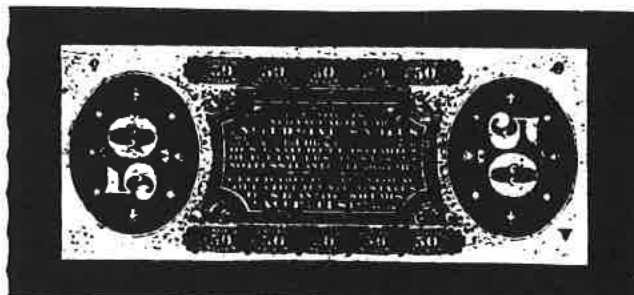
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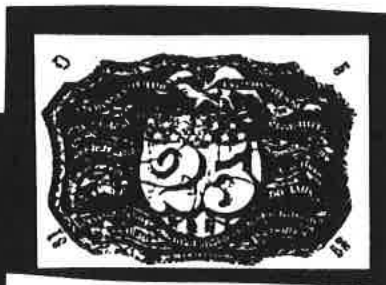
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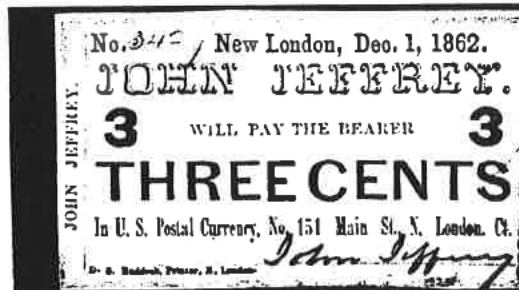
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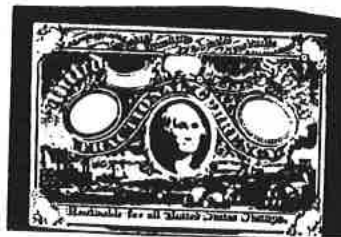
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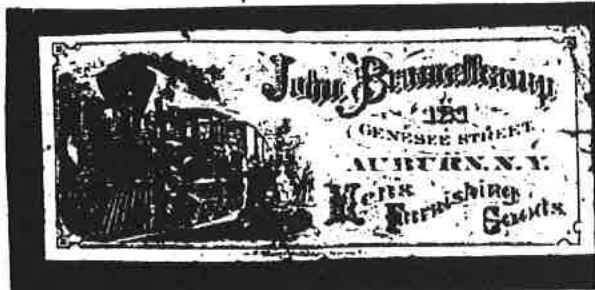
"Payables"



3E50F.1B



2E5F.2B



Look-A-Likes



3E25F.2A



2E50R.4E



## HEATH'S COUNTERFEIT DETECTOR NOTES

During the mid and late 1860s and the 1870s. Laban Heath of Boston, MA, published several editions of books titled "Heath's Infallible Counterfeit Detector At Sight," in both a Banking & Counting House Edition and a smaller Pocket Edition. Heath not only obtained permission from the U.S. Treasury Department for the bank note companies in New York to produce portions of genuine notes for his books, but he also persuaded the Treasury Department to have the bank note companies print impressions from confiscated counterfeit plates. I believe they usually produced these impressions, from the face plate and the back plate, on one side of a card stock. Heath then apparently had them inserted loosely, in varying amounts, in the Banking & Counting House editions. Through the years, I have occasionally seen these prints offered for sale—although usually only the face impression. This has made me wonder how many of the back impressions may have cut off and sold as "authentic" proofs.

**SMALL-CHANGE CURRENCY.**—The Government is very slow in putting the new small-change currency into the hands of the people. In this City, it has not made its appearance yet, and the dirty, sticky, inconvenient postage stamps are still in universal use. We were promised that we should have the new currency on the first of last month, five weeks ago; and on this ground, all private shipplasters were on that day excluded from circulation, under severe penalty, but the Washington functionaries have failed in this, as they fail in so many other things they promise—though we do not pretend to doubt the literal correctness of the statements we periodically receive, that the laborious persons employed in this branch of service are hard at work upon it night and day. We judge it would be better if they would sleep at night and work in daytime only; for in that case, we should, in a reasonable space of time, expect some result from their efforts. We suppose, too, that the labor involved in getting out the currency is "tremendous," and all that sort of thing. Still, we can't see why it was not ready a month ago, as per act of Congress, or at least why it is not ready now. A few hundred thousand of dollars of it would be of very great service and convenience in the City at present. And when it is ready, we trust that this great centre of trade and currency will be furnished with the first issues of the paper rather than the villages and smaller places, which do not suffer from the want of change to any such extent as we do. Will Mr. CHASE hurry up the small-change currency?

# Paper View

## Fractional Currency invention of wartime

By Carlson R. Chambliss

The issue of U.S. government Fractional Currency was necessitated by the monetary crisis that arose at the beginning of the Civil War. The first regularly circulating government paper money appeared in August 1861 and by December of that year payment in specie (i.e., both gold and silver) was suspended.

During the latter part of 1861 and into 1862 all sorts of approaches were used to compensate for the rapidly disappearing supply of silver coinage. U.S. postage stamps were circulated both individually and in little envelopes of fixed amount, but the gum on their backs as well as their generally fragile nature made these a poor substitute for coinage.

Huge numbers of tokens, mostly struck in copper and of the one-cent denomination, were made but the higher denominations of substitute money were generally paper rather than metal. Many municipalities throughout the Northern states issued fractional notes and these were issued by private firms as well. Most of this currency was not acceptable outside the towns or cities in which it was issued and some of these notes were actually fraudulent.

The small-change problem was finally resolved in the North during the summer of 1862 when Fractional Currency was placed into circulation. Its issue came almost exactly one year later than the first issues of federal paper money, i.e., the Demand Notes and the Three-Year Interest Bearing Notes of 1861. For the next 14 years Fractional Currency was to play an important role in our nation's currency supply.

Between 1862 and 1876 there were five distinct issues of Fractional Currency. Actually only the last four of these issues bear this designation, but the First Issue is always included with the others by collectors of these notes.

Although Fractional Currency has not circulated to any extent since 1876, it continues to remain valid money to this day. For items that disappeared from circulation well over a century ago, a surprisingly large number have been preserved, and it is neither difficult nor very expensive to form a basic type set of these notes, even in choice condition. There are several recognized rarities in this series, but all of the major types of Fractional Currency are still readily available.

The First Issue of Fractional Currency was printed by the National Bank Note Co. and by the American



Fractional Currency was an emergency coin substitute created during the Civil War. At first, it resembled postage stamps with perforated edges as in the First Issue 50¢ note above. The Third Issue 50¢ looks like paper money.



Bank Note Co. in New York. This issue is designated as being receivable for postage stamps, an obligation that was to appear as well on the next three issues of Fractional Currency as well. They also state that they are redeemable in United States Notes when presented in sums of \$5 or more.

United States Notes had first been issued only a few months before the first Fractional Currency and like the fractional notes at that time, they were not redeemable in specie. On the later issues of Fractional Currency the minimum amount required for redemption into United States Notes was reduced from \$5 to \$3. The First Issue notes are designated Postage Currency, but for the other four issues the term Fractional Currency is formally used.

The face designs of the First Issue fractional notes depict the 5¢ and 10¢ postage stamps first issued in 1861. Since the 5¢ stamps were printed in brown and the 10¢ stamps in green, these colors were used for the faces of

the notes of those denominations.

The 25¢ notes show five of the 5¢ stamps, while the 50¢ notes depict the same number of 10¢ stamps. These two notes are somewhat longer than are the 5¢ and 10¢ notes, but the same color schemes are used. All of these notes have back designs printed in black and the 5¢ and 25¢ notes are printed on buff-colored paper, while the other two denominations are on white paper.

Most collectors and currency catalogues recognize 16 different major varieties for the notes of the First Issue. The earlier notes were perforated on all four sides (perf. 12, or 12 holes per 20 mm), just as were all of the postage stamps of that era. The later and more common notes of this issue were imperforate, as were all subsequent issues of Fractional Currency.

The reason there are 16 major varieties of these notes and not just eight is that the American Bank Note Co. added an ABNCo monogram to the lower right of each note whose back was printed by

## Part I

Part II of this presentation on Fractional Currency and its five issues will appear next week.

them. Notes whose backs were printed by the National Bank Note Co. do not have this monogram. For the imperforate notes these are much scarcer than are the notes having the ABNCo monogram. All 16 notes of this issue are obtainable, although perforated varieties are generally much more difficult to obtain in choice condition than are the imperforate notes.

The 5c and 10c notes of the First Issue were printed in sheets of 20, while the 25c and 50c notes of this series were printed in sheets of 16. Complete sheets are known for at least one variety of each of the four denominations, but these are far from common. One rare variety that is often included with the regularly issued notes of this issue is a 50c note having the ABNCo monogram on its back that is perf. 14 instead of the normal perf. 12. This item is very rare, but it usually is found in uncirculated condition and often comes with attached sheet margins. It is believed that this variety was privately produced by a dealer named Harlan P. Smith circa 1890, and thus decades after the notes themselves were printed, it appears that only two sheets were perforated, but despite their dubious pedigree these notes are very popular and command prices of well over \$1,000 each when offered for sale.

The Second Issue of Fractional Currency was produced by the Currency Printing Bureau of the Treasury Department in Washington. This office was shortly to become the Bureau of Engraving and Printing. These notes were produced at substantially lower cost to the government than were the First Issue notes, a matter that Spencer M. Clark the superintendent of the bureau and the man most responsible for their production, was to emphasize.

For this issue the notes of all four denominations were of the same size, and all were printed in sheets of 20 subjects. Overprints in bronze ink were made on both sides of these notes, the faces having a large oval about a portrait of George Washington, while large numerals appeared at the center of each back design.

The faces of all of these notes were printed in black, but the colors of the backs are different for each denomination. The 5c notes have reddish brown backs, the 10c green backs, the 25c purple backs, and the 50c notes have red backs. Although the 5c and 10c notes are fairly consistent in their coloration, the two higher denominations show several distinct shades. In addition to various shades of purple, the 25c notes are also known with slate

gray backs. The earlier issues of 50c notes have light red backs, but later issues usually come with deep carmine red backs.

Although the First Issue notes were in production for less than one year during 1862-1863, the Second Issue was printed between 1863 and 1865, and significantly more varieties are recognized. The 5c, 10c and 25c notes all have large "5," "10," or "25" numerals overprinted at the centers of their backs, but many of these notes have no additional overprints on their back sides. At one time it was felt that a small number of 50c notes were also printed in this fashion, but it is now believed that all of the latter notes were issued with additional numerals or letters overprinted in the corners of their backs.

All 50c notes without these features seem either to have had them wear off or else to be altered notes. Almost all of the overprinted notes have "18-63" in the two lower corners of their backs, but sometimes control letters such as "A," "S," "I," or "2" appear in the upper corners. These letters or numerals are often very blurred or indistinct and occasionally one or more may be missing.

All four denominations of this issue also exist on a very thin and rather fragile type of experimental fiber paper. These notes use different control overprints from those used on the notes printed on normal bank note paper. Both the Friedberg and the Krause-Lemke catalogs of U.S. paper money list four varieties of 5c notes, five fairly common notes for the 10c denomination, seven major varieties of the 25c notes and six different 50c notes. This list does not include any shade varieties for the two higher denominations. The overprints on all notes of this issue are bright bronze in color on the freshest notes, but since they were done with an ink containing bronze powder, these overprints sometimes turn green or black even on notes otherwise in choice condition.

Aside from the probably non-existent 50c note without corner overprints, the one notable rarity among Second Issue fractionals is the 10c note overprinted 0-63. It is estimated that today there are only about 25 to 35 of these notes in existence.

The Third Issue of Fractional Currency is by far the most complex of these notes. All of these notes were printed in Washington, D.C., with production beginning at the end of 1864 and continuing into 1869. The notes of this issue were printed in a wide variety of sizes and sheet formats. The 3c notes were printed in sheets of 25 subjects, the 5c notes in sheets of 20, the 10c notes in sheets of 16, and the 25c and 50c notes in sheets of 12 subjects each.

With the exception of the 3c denomination all notes of this series exist either with red or with green backs. The latter are much the more common, but the notes with red backs account for many of the distinct varieties. Sheets of the 5c, 10c, 25c, and 50c notes of this issue were marked with position indicators, either a "1" or an "a," or both of these.

The left column of notes on the 5c and 25c sheets used the "a" designation, while the "1" designation was used on 10c notes. Thus one out of every three or four of these notes had these indicators. Although these differences appear to be rather minor, they are normally regarded as major varieties by most Fractional Currency specialists.

For the 50c notes each sheet of 12 subjects contained six notes with no position indicators, three with "1," two with "a," and one with both "1" and "a." The notes with either "1" or "a" tend to be worth only a bit more than the corresponding notes lacking these features, but the "1a" notes of the 50c denomination command large premiums. Thus many different varieties are noted for these notes, and most of the rarities in Fractional Currency are from the 50c notes of this issue.

The 3c and 10c notes of this issue depict George Washington and an allegorical representation of Justice was used on the earlier 50c notes of the Third Issue, but the other notes of this series depicted persons living at the time. Spencer Clark appears on the 5c notes, the then Secretary of the Treasury William Fessenden on the 25c notes, and the Treasurer of the United States Francis Spinner on the later 50c notes of this issue.

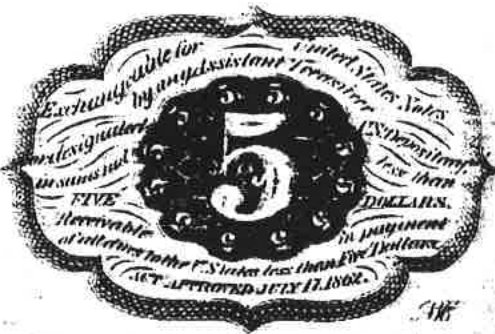
The use of Spinner's portrait was appropriate for a fractional note, since he is the person more responsible than any other for the development and circulation of these notes. Other U.S. currency had already depicted living persons, since Salmon P. Chase appeared on the Series 1862 \$1 United States Notes and Abraham Lincoln had appeared on both Demand Notes and United States Notes of the \$10 denomination.

Although no objections were voiced as to the use of Fessenden or Spinner's portraits on U.S. currency, Clark's portrayal on the 5c notes met with strong opposition from some quarters. One reason for this is that while individuals such as Salmon P. Chase along with Fessenden and Spinner had numerous connections in the Washington political scene, Clark did not. As a result of the outcry, Clark was forced to resign from the Treasury, but subsequently he did obtain a position with the Bureau of Mines. In 1866 the issue of 5c notes was discontinued and they were replaced with 5c cupronickel coins, the familiar nickels that were first





Portraits, it was thought, helped make notes harder to fake. Selecting the individuals to be honored was no problem when a Thomas Jefferson was the subject, as on this First Issue 5c with a straight edge. For trouble, see 5c note below.



By the time of the Third Issue, portraits of Treasury officials were being used on notes. One of them, Spencer Clark, above, stirred up a storm of protest. He was considered inappropriate as a note subject. Politics was involved in this. He had worked to save the government money by having the Treasury print its own notes instead of the New York note companies. This made him unpopular with certain congressmen.



struck in that year.

In 1866 an act was passed that prohibited the further use of portraits of living persons on government securities. By this time plates for Third Issue 15c notes had already been prepared. These

depicted Generals U.S. Grant and W.T. Sherman, both of whom were very much alive at the time. Although these notes were never regularly issued,



## Fractionals/ from Page 45

uniface specimen notes were prepared by the Treasury Department, and these are without doubt the most popular and available of the unissued types of U.S. currency. The 3c and 15c notes were largely prepared to make it easy to purchase 3c postage stamps at a time when this was the basic letter rate.

The 3c notes are the smallest and simplest of all types of U.S. currency to collect. There are two major varieties, the so-called "light curtain" and "dark curtain" varieties, referring to the shading of the curtain behind Washington's portrait. The 5c note is also a very simple issue, but it does come with both red and with green backs. These notes exist both with and without an "a" position letter, but all four of these varieties are fairly easy to obtain.

The 10c notes of this issue have a design peculiarity. On neither their





The Third Issue of Fractional Currency included the 3c denomination for the first time as even cents were driven out of circulation as the Civil War dragged on. The price level went up 150 percent as measured by gold from 1861 to 1863.

faces nor their backs is the word "cents" used. Due to their small size it seems unlikely that they were ever successfully passed as \$10 notes, but doubtless some individuals attempted to do this. There are six different collectible varieties of this note, four with red backs and two with green backs. The notes having printed signatures of Colby and Spinner (two of the red-back notes and both green-back notes) exist both with and without a "1" position indicator.

The other two notes with red backs have autographed signatures either of Colby and Spinner or of Jeffries and Spinner. One of the peculiar features of the Third Issue of Fractional Currency is that there are several varieties with autographed signatures. These were printed in sheets with different layouts from those of the normally issued notes and they always lack any sheet position indicators. Although the Jeffries-Spinner signature combination is extremely rare on National Bank Notes, it is available to collectors in autographed form



This Third Issue 10c has real autographed signatures on it. Collectors consider these desirable.



on Fractional Currency.

There is one extreme rarity among the 10c notes of the Third Issue. This variety has the autographed signatures of Colby and Spinner, but with a green rather than a red back. Only two examples are known at the present time. The better of these was in the collection formed by Martin Gengerke that was sold in 1995. It brought a phenomenal price of \$21,450. There are a few Fractional Currency items that are now capable of bringing that sort of money and all of these are major rarities of the Third Issue.

The 25c notes of this issue come with both red and with green backs. All of these notes bear the printed signatures of Colby and Spinner and every third note of this group has an "a" position letter. Some variation exists in the sizes of these letters, and this has caused much confusion in cataloging these notes. The 25c red-back note having the letter "a" exists in only one variety, earlier catalogs notwithstanding. For the green-back notes there is some range of sizes, but the true large "a" variety has this letter far down and to the right of its normal location. This variety is very rare, as only about 10 or 15 examples are known to collectors.

The 25c notes of the Third Issue also exist on a very thick fiber paper that is entirely different from the thin fiber paper used on some notes of the Second Issue. Actually there are four such varieties of these for the 25c notes, two having an open disk design overprinted in bronze ink on their faces while the other two have a solid disk overprint instead. The former two (with and without the position letter "a") are reasonably easy to acquire, although they are much less common than are the notes on regular paper. The latter two varieties, however, are rare with no more than three or four dozen notes known for both varieties.

The 50c notes of the Third Issue are by far the most complex of all the Fractional Currency issues and most of the great rarities in fractionals are among these notes. The earlier type of these notes depicted a figure of Justice on their faces, but later on a portrait of Francis E. Spinner was used. This change in design was adopted because of fairly extensive counterfeiting of the Justice notes. There are also two different reverse designs.

The first comes in both red and in green and is used on both the Justice and Spinner notes. The second is in green only and was used only on the Spinner notes.

Justice notes are notorious for being printed with very tight spacing. Thus it is difficult to find these notes without at least some trimming into their designs. A few of the red-back notes of both types also exist with autographed signa-

tures and the thick fiber paper used on some of the 25c notes was also used on a few of the Justice notes.

Both the Friedberg and the Krause-Lemke catalogs list a total of 51 major varieties of the 50c Third Issue fractionals, 19 of the Spinner type and 32 of the Justice type. Included among these, however, are a few notes that for all purposes are non-collectible. Although the position indicator varieties (plain, "1," "a," and "1a") are comparatively minor, all catalogs assign major number status to these and thus the 11 different groups of 50c notes that were printed in this format expand to 44 items.

There is considerable collector pressure on the "1a" notes, and all of these are scarce, some being quite rare. The other seven 50c notes used a different sheet format not having these position indicators. Six of these are autographed notes with red backs, while the seventh is a special issue of green-back Justice notes on fiber paper. This note, together with one of the autographed Spinner notes, is extremely rare.

As a minimum I feel that the average collector will want to obtain one each of the Justice and the Spinner notes, both with red and with green backs. The second reverse design of the Spinner note is also needed for such a set. This accounts for five major types. In addition to the sheet position indicators already mentioned, these notes also occur with various overprints on their backs.

My own collection presently has 39 different notes of this issue, but I strongly doubt that I shall ever have all 51. The Gengerke collection sold at auction early in 1995 had all 51 varieties and the prices of the six great rarities of this series are indicative of what top items in Fractional Currency are now bringing at auction.

Only about a dozen examples are known of the Spinner note with the autographed signatures of Allison and New, and a CU example in this collection brought almost \$5,900. Only nine examples of the green-back Justice note with an S-2-6-4 overprint on back are known, and Gengerke's AU example brought \$23,650.

By far the rarest group of 50c fractionals printed in the standard sheet format are the Justice notes with red backs printed on fiber paper with printed signatures and overprinted S-2-6-4. Gengerke's four notes of this group brought between \$9,350 and \$29,700 each, the highest price being paid for the "1a" note in only fine condition. Only two of these notes are presently known. Oddly enough, this overprint and paper combination is available to collectors on notes with autographed rather than printed signatures. This note (Fr. 257) is scarce, but it is still within the reach of most serious collectors.

# Paper View

## Fractional Currency ends after five issues

By Carlson R. Chambliss

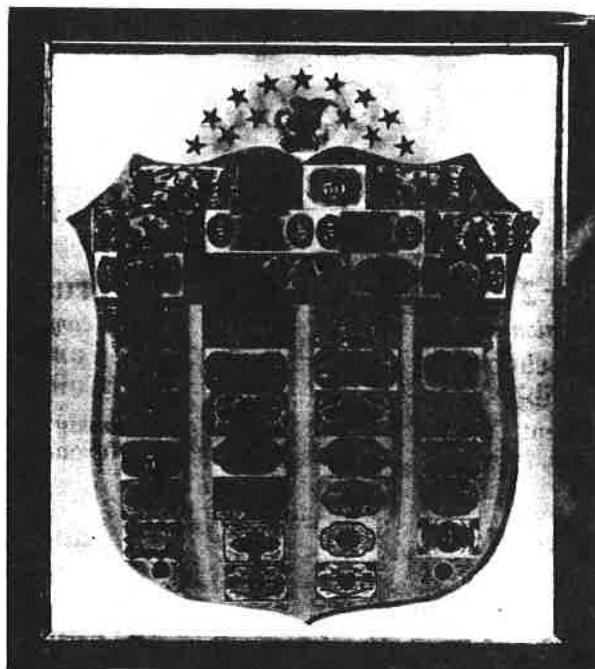
A collateral sequence to the issued Fractional Currency notes are the specimen notes of these issues. These exist for the First, Second and Third issues only, and they are the only unfinished or uniface notes ever released by the Treasury Department to the general public. They were printed on thin paper of various types including some water-marked CSA, which was British-made bank note paper that had been seized from blockade runners during the Civil War.

All specimen notes are uniface (i.e., printed on one side), but they occur in two radically different styles, viz., wide-margin and narrow-margin notes. The latter have margins that are more or less the same as the issued notes, whereas the wide-margin notes have margins that are very much larger and resemble die proofs. In Milton Friedberg's authoritative work on Fractional Currency the wide-margin notes are referred to as proofs; only the narrow-margin notes are referred to as specimens. (Incidentally Milton Friedberg is not to be confused with the late Robert Friedberg, the original author of what is still the most widely used general catalog of U.S. paper money.)

Narrow-margin specimens were prepared in some quantity by the Treasury, mostly for the purpose of being mounted on Fractional Currency Shields. Many of the specimen notes available in today's market have been removed from these shields and often they come with glue stains, edge tears or nicks, etc.

Wide-margin proofs do not have problems with having been mounted, but occasionally they do show minor edge tears. Sometimes a given note may be fairly easy to obtain in narrow-margin form, but it may be extremely rare in wide-margin form. One example of this is the 3¢ "light curtain" face note, which is available as a narrow-margin specimen, but is excessively rare in wide-margin form.

Two other examples of this are the 50¢ Justice and Spinner notes with autographed signatures of Jeffries and Spinner. These notes were never issued in normal form, but they can be collected as narrow-margin specimens. Wide-margin specimens also exist for these notes, but they are excessively rare. Another note that is rarely seen in specimen form is the second type of 50¢ reverse that was used only on Spinner notes. This design was not included on the Fractional Currency Shields and it is very rare both in wide-margin and



This Fractional Currency shield has a gray background. It was up to the purchaser to get his own frame. The shields themselves were sold for a bit over face value with face and back of each note counting as one note.

narrow-margin form.

By far the most popular of the specimen notes are the 15¢ notes of the Third Issue. These are available with both wide and narrow margins and with green and red backs. The face designs most frequently have the printed Colby-Spinner combination, but the autographed signatures of Jeffries-Spinner and of Allison-New are also encountered.

Many collectors who do not otherwise collect specimen notes acquire these items for their Fractional Currency collections. Usually these notes are sold as face and back pairs, but single notes are also available. When glued together, they were accepted as valid money at their face value, so these officially unissued notes were far from being mere essays.

Fractional Currency Shields were prepared by the Treasury Department during 1866 and 1867. They contain 39 different specimen notes of the First, Second and Third Issues mounted on a large lithographed monochrome shield. In most cases this shield is printed with black ink, but since the printing is rather light, it has the appearance of being printed in gray.

Much scarcer are shields printed in red ("pink") or in green. Recently a shield was sold in which the background was lilac brown in color. Gray shields in nice condition typically sell for about \$2,500 to \$3,000 each, although sometimes they are affected by serious aging or water stain problems. The purple back of the 25¢ Second Issue is light-sensitive, and thus it is often faded on many shields.

The 39 notes mounted on these shields include the faces and backs for the First and Second Issues (8 each) plus 23 different Third Issue specimens. This group includes both printed signature and autographed varieties for the faces of the 10¢, 15¢ and both types of 50¢ notes. Both face designs of the 3¢ note are included and both red and green back designs are included for the 5¢, 10¢, 15¢, 25¢ and 50¢ notes. As I have noted, however, the second reverse design used on Spinner notes is not included.

Contrary to a statement that is often made, there were no official frames for the Fractional Currency Shields. The Treasury sold these items at only slightly above their total face value, the faces and backs together counting as one note. It was up to the purchaser to frame them, if he so desired. Although they may have served some use as counterfeit detectors, it is far from clear that this was their major function. At least a few hundred of the gray shields still exist, and I have seen these in numerous places, especially in 19th century banks or in the studies or parlors of historic houses of that era. When these shields are sold in today's market, they generally come with a wooden frame and a glass overlay. This item makes a very interesting, although decidedly expensive, wall display.

One additional set of items that is related to the Third Issue of Fractional Currency are the counterfeit detectors that were surface printed on thin cardboard and appeared in the 1866 and 1872 editions of *Heath's Infalible Counterfeit Detector*. These include the 5¢, 10¢, 25¢, and 50¢ Spinner faces of the Third Issue notes plus a counterfeit impression of the Spinner note. The individual impressions are often cut from the plates and typically they sell for about \$15 each, although occasionally they are marketed as "proofs" and offered at much higher prices.

As was the case with the Postage Currency, the Fourth Issue of Fractional Currency was largely contracted to the New York printing companies. There are four denominations — 10¢, 15¢, 25¢, and 50¢ — but six major types, since the 50¢ notes of this issue appear in three radically different designs.

The first of these depicted Abraham Lincoln, but this note was counterfeited, and that led to the issuance of a second design featuring Edwin Stanton, Lincoln's Secretary of War. The Stanton note was also counterfeited and so a third design featuring Samuel Dexter was issued. This was the first fractional note to depict a former Secretary of the

## Part II

This is the second part of a two-part feature on Fractional Currency. The first part appeared in the July 2 issue.

# Paper View

Treasury and the first to have both sheet position letters and plate numbers on its face. Due to the large number of possible combinations of these, however, almost no one attempts to obtain a complete set of these.

The Fourth Issue notes were printed between 1869 and 1875 at a time when there was much experimentation with security features on bank notes. All of these notes feature security devices of various types including watermarks, silk fibers, localized staining and colored seals. Despite the fact that this series is much less complex than is the Third Issue, there has been much confusion in the various currency catalogs as to just how many varieties there are for each note. In my own collection there are presently five 10¢, three 15¢, four 25¢, and three 50¢ notes. As far as I am concerned, my collection is complete for these, but some collectors or catalogs may differ as to what is needed for a "complete" set of these notes.

The Fourth Issue fractionals were initially issued on watermarked paper that contained only a very small number of silk fibers. The 50¢ Lincoln note plus the three lower denominations all exist in this form. Later on, the number of silk fibers was considerably increased, while the watermark was considerably weakened or removed altogether. I have a 10¢ note that shows both many silk fibers and a strong watermark, but I also have this note with the silk fibers but without the watermark. The 25¢ note also exists this way, but it is far from clear that either the 15¢ note or the Lincoln note exist in this fashion. These two notes have been listed in the Friedberg catalogue as Fr. 1268 and 1375, respectively.

The Gengerke collection contained an apparently unwatermarked 15¢ note that was sold as Fr. 1268 and brought \$440 despite its rather poor centering. There was also a Lincoln note in this collection that showed little or no evidence of a watermark, but Gengerke is skeptical about its existence as a distinct variety. In any case these two notes are much rarer than their watermarked counterparts (Fr. 1267 and 1374), but I don't feel that they are really necessary for a "complete" set. Almost all examples of Fr. 1268 and 1275 offered for sale will probably prove to have a faint watermark when carefully examined.

The second item of controversy over the security features on Fourth Issue notes concerns the seal colors of the first group of blue-stained notes. All four denominations were printed in a tete-beche form, so that the same ends of these notes could be stained with a blue overlay. These notes are printed on heavily silked, but unwatermarked paper.

None of the Lincoln notes received

this treatment, but all of the Stanton notes did. The normally encountered varieties (Fr. 1259, 1269, 1303, and 1376) are common enough, but controversy exists over whether any of these notes were printed with brown (as opposed to the normal red) seals. These variants were formally listed as nos. Fr. 1260, 1270, 1305 and 1377 in the Friedberg catalog, and the prices quoted for them were far higher than they were for the normal notes.

Most authorities now agree that these notes were never printed in this fashion, but their seals may have acquired brown shades through aging or other chemical processes. Notes with distinctly brown or maroon seals are occasionally offered for sale, and these do bring substantial premium prices, but one should not pay really fancy prices for what are probably only chemical changelings.

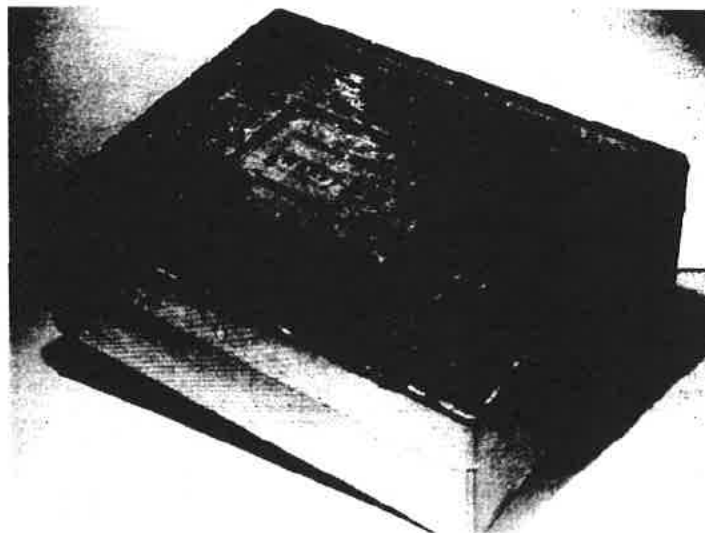
For the last group of 10¢, 15¢ and 25¢ notes of the Fourth Issue the design of the Treasury seal was modified and its diameter was reduced from 40mm to 38mm. These notes also have vivid blue ends. The Dexter note, which has a distinctive green seal, also shows end staining, but this is much more subdued than what is found on the Stanton notes. This quartet seems to be free of any complicating factors regarding major number listings.

The Fifth Issue of Fractional Currency was issued between 1874 and 1876. Only three denominations were issued — 10¢, 25¢ and 50¢ — but the 10¢ notes come with both green and red seals. These notes depict William Meredith, Robert Walker and William Crawford, respectively, all three of whom were Secretaries of the Treasury during the first half of the 19th century.

All of these notes are still quite common and occasionally they are available in original \$5 or \$10 packs containing 50, 40, or 20 notes, respectively. In addition to the major seal color difference on the 10¢ notes, both the 10¢ and 25¢ notes come with a long, thin key in the Treasury seal or with a short, thick key in this design feature.

Formerly the Friedberg catalog listed the latter as existing both on white paper and on paper with a pink obverse. The latter seems to be merely a result of improper cleaning of the plates, however, and it is not a distinct variety. The Friedberg catalog continues to list two distinct varieties for the 50¢ note (Fr. 1380 and 1381), but this distinction should be dropped. All auction catalogs list these notes only as Fr. 1381. In my collection I have an additional "pink" note for each denomination of this issue, but these are varieties that could occur on any notes of this vintage having red seals.

For a person who wishes to special-



Fractional Currency was shipped in boxes such as this. The label notes that the amount is \$1,500 in notes of 25-cent denomination, or 6,000 notes total.

ize in this issue, however, these notes do feature both plate position letters and plate numbers. The numbers of possibilities run into many hundreds. Hardly anyone attempts to collect Fifth Issue notes in this fashion, but since these notes are both readily available and fairly inexpensive, an interesting collection could be formed of such varieties.

Although there are a few great rarities among the Fractional Currency notes, these tend to be the exception rather than the rule. There are no rarities among the major type notes. The scarcest of these is probably the 50¢ Lincoln note, but a nice XF example of this note can be obtained for about \$100. Many persons consider there to be 24 major types of fractionals, but this total basically considers face types only.

I feel that this total should be increased by at least 11 notes. There would then be 8 First Issue notes (both perf. and imperf.), 4 Second Issue notes, both varieties of the 3¢ notes, both red and green back varieties for the Third Issue 5¢, 10¢, 25¢, 50¢ Justice and 50¢ Spinner notes plus the second-green back for the Spinner note.

In addition there would be the six major types of Fourth Issue notes and four Fifth Issue notes including both seal colors for the 10¢ note. One should also consider the unissued 15¢ notes of the Third Issue in a basic set of major types, and some of the paper varieties of the Second Issue or the security feature varieties of the Fourth Issue are significant enough to warrant major type status.

Numerous group lots and collection lots of Fractional Currency are offered

in currency auctions, and obtaining one of these would be a good way to begin a fractional collection.

One trend that has been occurring in recent years with regard to Fractional Currency has been the increasingly wide spread in the prices realized for various grades of uncirculated notes. These are now classed as "new," "uncirculated," "choice uncirculated," "gem CU," etc. Just as is the case with uncirculated Morgan silver dollars where there are often huge differences in price between MS-60 and MS-65 coins of the same date, some gem CU fractionals have been fetching many times the normal price for typical uncirculated notes of the same variety. Although this may be a trend that will last, in my opinion some of this is overblown.

No Fifth Issue fractionals are even scarce, much less rare. Paying fancy prices for any notes of this series is rather silly, when so many are available on the market. For some other types, however, notes in really choice condition are certainly worth large premiums. Justice notes have very tight margins and so any note of this type with wide margins is worth a substantial premium over a similar note with the normal margins or lack thereof.

The perforated notes of the First Issue are particularly tricky, since one must consider not only the extent of wear, but also the soundness of the perforations and the centering. Since I am also a philatelist, I found that I was more conscious of pulled or clipped perforations on these notes than I was



# Paper View

## Fractionals/ from Page 37

with minor folds, when I acquired these notes for my collection. For the Second Issue notes, which are often poorly cut, not only centering but also the clarity of the overprints on their backs must be taken into consideration.

In addition to the standard catalogs on U.S. paper money such as those by Friedberg, Hessler and Krause and Lemke, there are a number of specialized works on Fractional Currency that are needed by anyone planning to seriously get into this field. Foremost among these is Milton Friedberg's *Encyclopedia of United States Fractional & Postal Currency*, which was published in 1978.

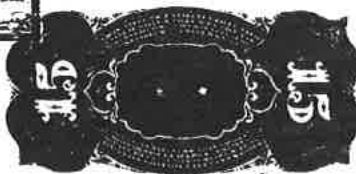
Although his numbering system is a bit confusing, cross references are provided to other catalogs. This book also lists many items that are not listed anywhere else. These include such things as the so-called experimental notes of the Second Issue. Most of these are uniface notes that have been canceled with two semi-circular holes. Also listed are various proofs and essays for the Fourth and Fifth Issues, none of which were released to the general public. Some of this material



The 15-cent note appeared in the Fourth Issue of Fractional Currency, which began in 1869. Successful introduction of the nickel in 1866 gave the Treasury the opportunity to drop the low three- and five-cent values.

will probably come onto the market when Milton Friedberg's collection is auctioned in January of 1997.

Since fractional notes have no serial numbers, there are no such things as fancy serial numbers, mismatched serials, etc., but there are various Fractional Currency errors. Although always scarce, quite a few types of these notes exist with inverted backs. For Second Issue notes there are also errors in which both sides were printed properly, but on which the large numerals on the back sides are inverted. Several other types of overprinting errors are also



known.

During the 14 years in which these notes were in production a total of 1.819 billion fractional notes with a total face value of almost \$369 million were issued. This total breaks down to 124 million notes for the First Issue, 161 million for the Second Issue, 401 million for the Third Issue, 775 million for the Fourth Issue and 357 million for the Fifth Issue.

The maximum circulation of Fractional Currency occurred between 1873 and 1875 when about 838 million pieces were in circulation. This amount

constituted almost five percent of our nation's currency supply at that time. Yet Fractional Currency went out more with a whimper than with a bang.

Once silver coins were again in normal circulation by the mid-1870s, the public soon expressed its preference for coins over small paper money and this once vital component of our nation's currency soon lost all significance as a circulating medium. Today an estimated \$1.8 million face value in Fractional Currency remains outstanding, but most of this is undoubtedly either lost or destroyed.

Yet many fractional notes did survive. Their small size and low face value contributed to the keeping of these notes as souvenirs. There seem to be enough of the more common fractionals to satisfy collector demand for years to come, but this is definitely not the case for the truly rare items.

Twenty years ago a price of \$10,000 or more would have seemed absurd for any piece of Fractional Currency, but that is no longer the case. The fact that high prices are being achieved for major rarities, however, should not deter anyone from forming a representative collection of these fascinating pieces of American monetary history.

# Editorial

## Pay a visit to paper show in the next year

Every coin collector should attend at least one of the national paper money shows in the next year. We think the benefit would be well worthwhile.

We're just back from the Memphis paper money show (June 21-23). That isn't the formal title, but in the paper money hobby everybody knows what the show is and doesn't stand on formality. Informality, in fact, is a virtue.

It is like a breath of fresh air to be among paper money collectors. It seems as if everything about a paper money convention is upbeat.

The auctions in Memphis were strong.

The bourse floor was filled with more dealers than it has ever had before. The number of exhibitors at Memphis was the highest it has ever been. The quality of exhibits is gener-

ally worthy of an American Numismatic Association convention.

These facts are certainly fitting for the 20th annual event.

Dealers were friendly. They went about their business in a relaxed manner. Material is affordable and varied.

Club meetings were numerous and most were well attended. Most had educational programs. The programs were given by people knowledgeable about their topics and enthusiastic in their willingness to share.

Good humor abounded. Hand-wringing over this or that problem was not in evidence. Award plaques were handed out for jobs, exhibits and articles well done. On a per capita basis the incidence of award plaques is probably quite high, perhaps higher than for any other show.

At the Memphis paper money

show nobody seemed to be worried about the future. They simply were busy taking care of business and enjoying the hobby.

This is not to say that coin shows don't have successful auctions, bourses, club meetings, etc. They do. But what makes the national paper money shows seem so unusual is that everything seems to click just right. It's almost as if it's in the air, or in the water. You are just glad you are there.

Coin collectors can benefit from the inspiration of the paper money hobby. This isn't a put-down. It's basically an appeal that if we are enjoying the coin collecting hobby we should show it in the manner that is shown at a paper money convention. Our coin shows should reflect the fun and excitement of collecting coins.

After all, people want to be around other people who are obviously

enjoying what they are doing and welcoming in their attitudes to others.

Newcomers don't want to hear about why things were better in the old days. They don't want to hear about problems. They don't want to hear about prices being too high. Sure, some coins are expensive, but a part of the challenge of collecting anything is to tailor the goal to match the budget.

Expense also is a relative thing. It is tied to direct experience and expectations. People are more likely to buy something that others very obviously enjoy owning.

Hobbyists in the paper money field very obviously enjoy what they are doing. It is refreshing to be around them. Whether they choose Chicago, St. Louis, or Memphis, coin collectors should pay a visit to a national paper money show and see for themselves.

## Indian Head Cents

**T**HIS MONTH I continue my overview of Indian Head cents based on my forthcoming book, *A Buyer's Guide to Flying Eagle, Indian, and Lincoln Cents: A Guide, Commentary, Catalogue Raisonné, and Source Book for the Series 1856 to Date*.

### The Situation in July 1862

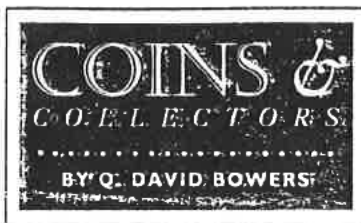
The *Bankers' Magazine and Statistical Register* of November 1862 reported events occurring in Philadelphia the preceding July:

The great feature of [July 1862] was the heavy manufacture of cents, of which 3,600,000 were made, of the value of \$36,000. There was a great rush to the Mint to procure cents. The *North American* says: "At an early hour in the morning there were not less than 150 boys and men, and 31 young ladies and girls, awaiting a supply of pennies. The boys and men carried shotbags, cigar boxes, baskets, and all sorts of contrivances in which to carry off the much-needed coin. The girls principally carried neat baskets. When the distribution came to be made, the girls were first served, to the intense chagrin of the men, who had been standing on a single foot, alternately, upon the sidewalk for two or three hours. The men and boys were not attended to until the last girl had departed."

Actually, the larger part of the story was left unsaid. The Civil War was raging, and the outcome was uncertain. Some foreign countries (England being the prime example) declared their alliance to the Confederate States of America, while others sided with the Union. Meanwhile, as often happens in times of

national emergency, the public tried to squirrel away items of value.

In the second week of July 1862,



there was a flurry of hoarding throughout the eastern and midwestern sections of the United States. By month's end, no silver coins were seen in circulation, and copper-nickel cents were "in anxious demand," with a 2-percent premium being paid for them in some instances. Gold coins had not been seen in general trade since the preceding January.

As a palliative, Congress passed the Act of July 17, 1862, stating that ordinary postage stamps could be used as money to pay federal debts up to \$5. The intent of the law was subverted soon thereafter, and the Treasury ordered a supply of privately printed notes, although there was no legal provision for them. Popularly called "postage currency," the early issues had perforated edges just like stamps.

These notes, denominated in 5, 10, 25 and 50 cents, were first distributed to Army paymasters in August 1862 and to the public in September. By early 1863, about \$100,000 worth of the notes reached circulation per day, but demand remained unsatisfied.

Meanwhile, in New York City, there were no silver 3-cent pieces, half dimes or other coins of intrinsic

value with which to buy a glass of soda, a mug of beer or a streetcar ride, unless you wanted to buy some at a premium from a speculator. The Treasury Department stopped paying out freshly minted silver and gold coins and relegated them to bank vaults or sold them at a premium (in terms of paper money) for export. Silver and gold coins would not return to general use until the late 1870s.

Used in their place were a variety of privately issued items, including tickets and small notes printed in denominations of 1 cent or more; government postage stamps placed in privately printed envelopes or brass frames (known as "encased" postage stamps); and floods of cent-size bronze and brass tokens. In addition, Indian Head cents continued to be minted in record numbers in the summer of 1862, and from time to time quantities were released into circulation, as outlined in the newspaper report cited above.

The reason why the public clamored for cents in July 1862 is that they were becoming increasingly difficult to find in circulation. Often they were wrapped in paper rolls or packets of 25, 50 or 100 coins and stored by those who accepted them in trade. "Bus companies, theatres, and restaurants accepted these rolls everywhere. A retail store in New York received so many that the floor of the room in which they were stored collapsed."

Hoarders had plenty of Indian Head cents, but the public did not. By July 10, 1862, the copper-nickel coins were trading at a 4-percent premium in New York City, and by



Not Actual Size

Substituted for the hoarded Indian Head cents was a variety of emergency money, such as "postage currency."

ANA MUSEUM

July 15, they cost a similar premium in Springfield, Massachusetts. What a change from the glut of 1860!

In his reference book *Fractional Money*, published in 1930, Neil Carothers commented:

In a vain effort to satisfy the demand [for copper-nickel Indian Head cents] the mint forced itself into a rate of production even higher than that of 1858. By the end of July the weekly issue amounted to 1,200,000 pieces. One-third of this total was reserved for Philadelphia, the remainder going to the other large cities. No applicant anywhere received more than \$5 worth. The coinage jumped from 12,000,000 pieces in the [fiscal] year ending June 30, 1862, to 47,800,000 in the following year. Even this extraordinary value in cents, \$478,000, was a small sum when contrasted with the \$25,000,000 or more in silver coin that had disappeared. The demand for the cent pieces was never satisfied. The conditions in Philadelphia, which were duplicated in other cities, were described in the [*Public Ledger*] of July 18th [1862]:

"The difficulty among small shopkeepers, provision dealers in the markets and in the city generally, in making change, has caused an extraordinary demand for cents, and all that can be commanded at the Mint are eagerly bought. . . . Though many of those who desired cents stood in line for hours, waiting an opportunity to get into the Mint, they had to go home without them, as the supply on hand was exhausted before half the applicants were accommodated."

Carothers went on to note that these cents, called "nickels" (in an era before the nickel 5-cent piece, introduced in 1866, would assume that name), were in demand because the ownership of a few cents "meant that the owner could ride rather than walk. And for months after it meant that he could buy a postage stamp without an altercation with the clerk or a cigar without receiving in change a handful of the dealer's

own manufactured currency [paper tickets or notes]."

### The Scene 1863-1866

By March 1863, the Treasury Department's so-called postage currency had become common in trade and, seemingly, should have alleviated the cent shortage. However, the public still preferred coins. Silver and gold coinage still was nowhere to be seen, and attention continued to be focused on the copper-nickel Indian Head cent. On March 9, 1863, the *Public Ledger* reported that in Philadelphia cents were "so scarce as to command a premium of 20%."

By the end of the Mint's fiscal year on June 30, 1863, copper-nickel cents were sufficiently scarce that Director James Pollock reported they were "scarcely to be had" in circula-

tion, further stating that he could not guess "as to the amount of cents that will be required to meet the public demand."

Under the Act of March 3, 1863, the federal government issued fractional currency in denominations from 5 to 50 cents, but distribution did not begin until October 10. At this time, the gradual retirement of postage currency was begun. In Autumn 1864, a new denomination of fractional currency, the 3-cent note, reached circulation, but never became popular. (In 1869 another denomination, 15 cents, was added to the fractional currency lineup, but it, too, was never widely used.)

As privately issued bronze tokens were dumped into circulation by the millions and used for everyday change, Indian Head cents slowly returned to commercial channels and circulated, but apparently not in quantity. As late as June 30, 1864, at the end of the Mint's fiscal year, Director Pollock reported that "large quantities are hoarded, and thus kept from circulation."

Apparently, by autumn the situation eased somewhat, for little was said about hoarding. By this time, the bronze Indian Head cent was a reality. In the same year, the bronze 2-cent piece was introduced to help relieve the need for pocket change, and in 1865 the nickel 3-cent piece made its debut, followed by the nickel 5-cent coin in 1866. Still, silver coins remained in Treasury vaults and did not circulate. However, by 1865-66 there were enough minor coins to satisfy most needs.

continued next month •

# ODD COIN SAVED THE ECONOMY

Silver three-cent coin fought Gold Rush coin shortage and aided postal rate reduction

By R.W. Julian

Rarely does a single person create a demand for a new coin, but James Marshall did so unwittingly in the early days of 1848. His discovery of gold on the Sutter ranch in California was the onset of the famous 1849 Gold Rush, with tens of thousands going to the land of riches.

For some men it was the way to instant wealth, but for most the long voyage proved no more than a path to a different job. The toil of all these people tore great quantities of gold from the earth and soon the Philadelphia Mint, aided by private minters in California, was striking a large number of gold coins.

So much gold entered circulation that the value of silver compared to gold, began to rise. Because of this, bullion dealers used gold to buy up silver for shipment abroad; as early as the spring of 1850 there was little U.S. silver to be seen.

Hard money consisted mostly of cents and gold coins, but there was a sprinkling of old Spanish and Mexican silver coins, many of them worn smooth. This lack of small change, especially half dimes and dimes, created havoc in the business world. Trade was strangled at the local level as many merchants were forced to the barter system in order to survive.

Oddly enough the outpouring of gold (in which California was later joined by Australia) forced up the price of copper, too. During 1851 the Philadelphia Mint actually issued cents and half cents that cost more than face value to produce and distribute. Clearly, the discovery of

gold was a mixed blessing.

By an odd coincidence, before the coin shortage had become a reality, Congress had actually defeated a proposal to strike a debased three-cent piece. A few patterns were struck, from dies prepared by Chief Coiner Franklin Peale of the Philadelphia Mint.

Throughout the latter part of 1850 there were debates in Congress and elsewhere on how to solve the coins shortage and put business affairs back on an even keel. The final push came from an unlikely source: the postal rate was changed to three cents per ounce, to take effect on July 1, 1851. (The postal rate had been lowered at the insistence of Postmaster General Nathan Hall. It is, no doubt, one of the few times that the post office actually lobbied for a reduced rate.)

The new postal rate of three cents per ounce was bound to create a strong demand for small change of which there was very little. This change also came at the very time that the government was losing money on the copper coinage. These twin problems forced the hand of Congress and on March 3, 1851, President Millard Fillmore signed into law a bill authorizing the coinage of silver three-cent pieces (trimes) with a fineness of only .750, compared to the standard .900. (The postal bill was also signed on March 3.)

One would think that all would go smoothly once the bill had been passed, but such was not to be. Chief Coiner Peale thought that he should be allowed to design the new coin while Chief Engraver James B. Longacre naturally felt that the work belonged in his

department. This was but the latest chapter in a feud that had gone on for some years.

Both men prepared pattern dies and submitted samples of their work. Mint Director Robert M. Patterson, a close friend of Peale's, forwarded the specimens to the Treasury, but with a pointed cover letter favoring the Peale version. Unfortunately for both Peale and Patterson, Longacre had political influence and it was his design that was adopted, not that of Peale.

Longacre's design, which was far better than Peale's, was simplicity itself yet elegant in style. For the obverse the chief engraver chose a five-pointed star featuring the shield of the United States in the center. All of this is surrounded by "United States of America" and the date.

The reverse has the Roman numeral "III" inside a large "C" for cents. There are 13 stars around the edge. The word "Liberty" does not appear because there is no room for it on such a tiny coin.

Although demand was intense, it took the Mint several weeks to gear up for production and even then it was slow. The melting and refining department was not used to working with the .750 fineness and many ingots were rejected because of improper annealing or rolling. In addition, the striking of such a thin coin was a mechanical nightmare for those in charge of minting operations.

Only about 5.5 million pieces were struck at Philadelphia in 1851 because of the problems, while New Orleans made an additional 720,000, the only branch mint coinage for this denomination. It is probable that the influx of

minor Mexican coins, though not especially heavy in the 1850s at New Orleans, was sufficient to hold down demand for the new trimes (a nickname that never really stuck).

Collectors desiring a specimen of this first coinage will find that it will be reasonably priced. Even in XF-40 the Philadelphia issue, according to Coin Market valuations, books at only \$65 while the New Orleans variety is almost double that. If the trimes were more widely collected, these values would be much higher.

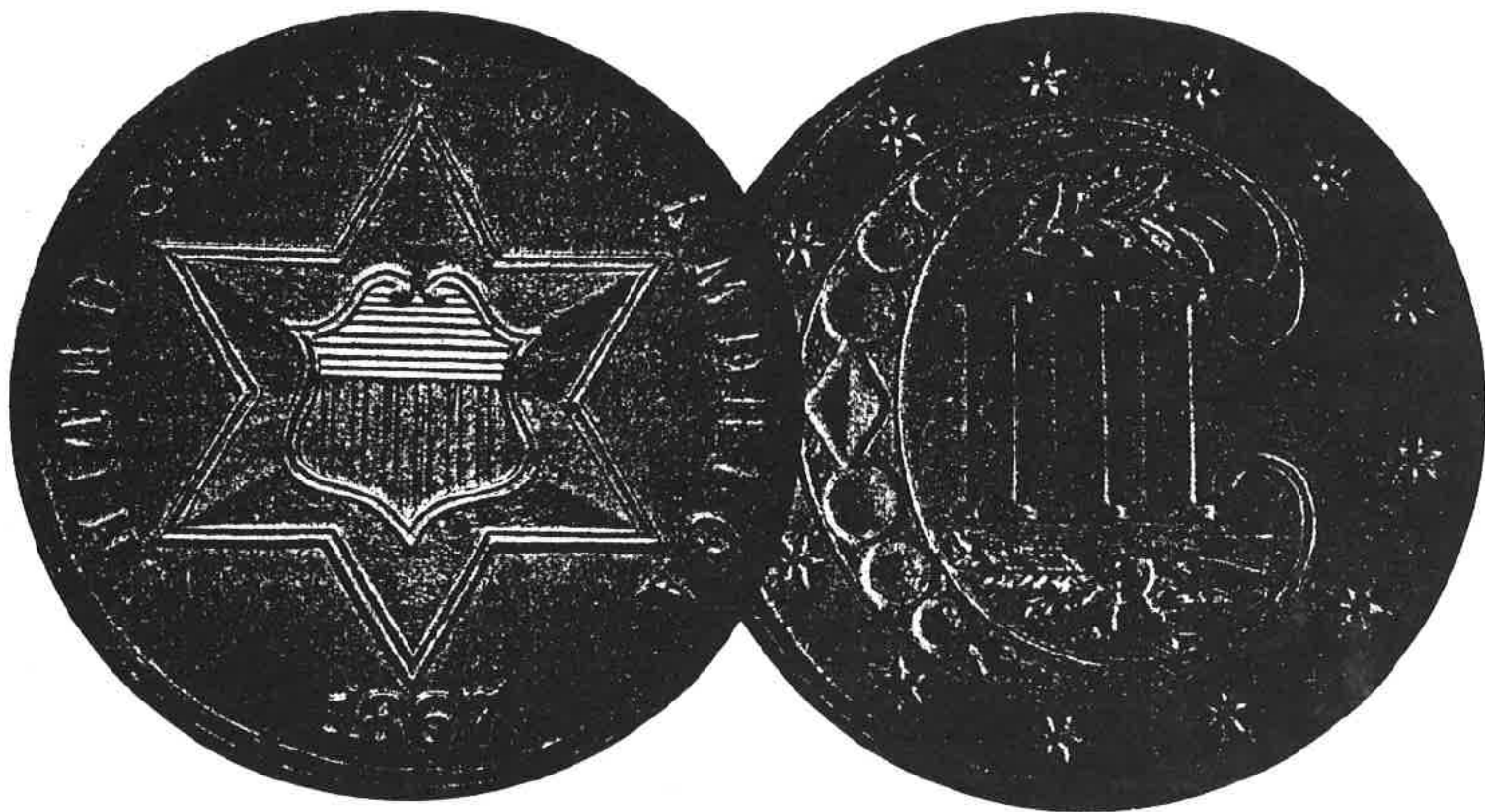
For 1852, and with mechanical and metallurgical problems solved, the Mint struck nearly 19 million trimes, well above that for 1851; because most collectors acquire them for type sets, the value of an 1852 coin is only slightly less than that of 1851.

Despite the heavy coinage of trimes in 1851 and 1852 the coin shortage grew progressively worse in the summer and fall of 1852. During the first three months of 1853 another 11.4 million pieces were struck, the last major coinage for this denomination; later annual mintages would be under 1.5 million, mostly well under.

In early 1853, after much pressure from the public, Congress finally enacted a major change in the coinage system. The weights of minor silver coins (half dime through half dollar) were reduced although the fineness was maintained at .900. The weight of the trime was also reduced, but the fineness raised to match the other silver coins. The new law took effect on April 1, 1853.

Because the new coins struck under





The silver three-cent piece was an odd denomination with an odd design.

the 1853 law contained less silver than their nominal equivalent in gold, they circulated widely and solved the coinage problem. There were mass coinages of small silver coins at all the mints; so many pieces were struck that merchants then complained about too many silver coins in circulation and the Treasury ordered the mints to cut back on production in 1858.

Trimes were not struck in 1853 after the new law took effect, the demand being too strong for the other silver coins, but coinage did resume in 1854. Mintages of 1854 and 1855 were very limited (the figure for 1855 being only 139,000 pieces) and the cost to the collector in XF-40 is consequently much higher at \$90 and \$145, respectively.

The issue of 1854 is interesting in that there were some minor changes made to the design.

Longacre introduced at the beginning of the year a border of three lilies to the obverse star. (In 1859 this was changed to two lines.)

Although coinages were reasonably heavy for the trime from 1856 through 1858, this was actually the result of Mint Director James Ross Snowden pushing silver coins on the public, not any real demand. Snowden illegally exchanged silver coins for bullion although the law required that he exchange silver coins only for gold.

This created an artificial demand, fueled mostly by speculators.

With the Treasury order of 1858, trime coinage dropped back to actual needs and for the next several years was under one-half million coins per annum. These are readily obtainable in XF-40 at about \$70, although the 1861 issue often rates a bit higher. The reason for the low price is that most of these coins of the late 1850s were hoarded during the Civil War.

The outbreak of war in April 1861 found both sides predicting quick victory. In the North business went on pretty much as usual despite crushing military defeats inflicted on Union armies by more capable Confederate generals.

By the end of the year the realization that the war would be a long one had finally come to the North. In December a nervous public began to hoard gold coins and the banks suspended specie payments in this metal. Silver, because its metallic content was worth less than face value, continued to circulate until June 1862 when it too was hoarded or exported.

By an odd quirk, the public perception of the three-cent silver was that it was not of the same relative value as the other silver coins. This was, of course, true before 1854 but not in 1862, yet these coins stayed in circula-

tion, in some areas, until early 1863. After that no silver coin was in daily use in the North.

Although trime coinage occasionally rose above 20,000 pieces after 1862, these coins were not for circulation. Instead they were used to pay off odd sums for gold bullion deposits or the occasional purchase of silver bullion by the Philadelphia Mint.

There was a desperate shortage of small change during the war, especially after the trimes left the marketplace in early 1863, but this was only partially filled by the new bronze cent and two-cent pieces of 1864. Fractional Currency was also issued. In 1865 Congress passed a law authorizing a new three-cent piece, but one made from copper-nickel and not silver; this was the death-knell for the trime, though not realized at the time.

Those persons promoting the copper-nickel coins claimed that silver would be struck once more when economic times returned to normal. The same claim was made again in 1866 when the five-cent nickel was introduced in lieu of the half dime.

After 1865 only a few thousand trimes were struck each year, but in 1872 this fell to under 2,000. Non-proof specimens from these years are rarely seen and high-grade uncirculated trimes of the late 1860s usually bring well in excess of what it would

cost to own a proof. In fact, because of this price differential, most type collectors choose the proof coin as the least expensive choice.

Collectors in the 1860s also had to obtain proof trimes for their collection, because circulation strikes were normally not available. After 1861 the Mint no longer sold individual silver proof coins, forcing the collector of trimes to buy an entire silver proof set if he wanted just the one coin. The same was true for collectors specializing in other denominations, such as the dime.

Beginning in 1870 there was a great debate in Congress and elsewhere on the direction the monetary system ought to take. Finally, in February 1873, President Grant signed into law a bill abolishing the three-cent piece along with the half dime and silver dollar. It was the end of an interesting coin. (Despite being no longer struck, trimes continued to circulate well into the 1890s in rural areas of the United States.)

For 1873 the Mint struck trimes only in proof. Those wanting one of the 600 pieces issued in the regular proof sets of this year will pay about \$1,750 in Proof-65, but impaired specimens are available for considerably less.

Few collectors today realize the key part played by the trime in helping to solve the coin shortage of 1849-1853. Sometimes the smallest coins really are the most important.

# From slave to the Treasury

## Blanche Kelso Bruce earns signature on U.S. paper money

By Jack Fisher

Special to Coin World

Who was Blanche Kelso Bruce?

I knew from my many years of collecting United States paper money that Blanche Kelso Bruce was a Register of the Treasury whose signature appears on different series and denominations of large-size notes. But I did not have a clue about the person. It appeared obvious that Register Bruce was a woman with the name of Blanche. I did wonder whether Bruce was the first and possibly only woman who served in this position.

At the start of my research, I was quite surprised to learn that Blanche Kelso Bruce was a man. Equally surprising, I learned that he was African-American.

Bruce's signature as Register of the Treasury appears on many issues, series and denominations of U.S. paper as B.K. Bruce rather than as Blanche K. Bruce, so collectors of notes

would not readily know his first name. (I would have probably used my initials, had I been given the name Blanche!)

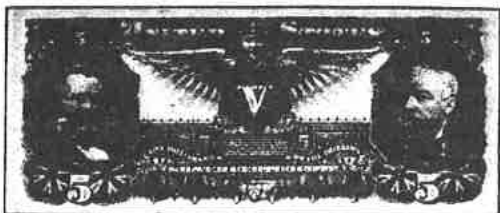
According to the Treasury Department, the duties and functions of the Register of the Treasury during the issuing period of large-size notes from circa 1862 through 1923 were:

"To receive from official agencies all bonds and other public debt securities, both bearer and registered, including collateral issues of interest coupons, representing principal and interest of the public debt when paid and canceled, or otherwise canceled and retired or voided for any purpose whatsoever; to audit, hold in custody, and make dispositions thereof; to record all bearer securities and other contiguous coupons prepaid for issue and all such securities and coupons retired and to record registered bonds issued and retired; to certify to the Comptroller General of the United States the clearance of the public debt disbursements

of the Treasury of the United States for redeemed securities whether paid by the Treasurer director or through the Federal Reserve Banks and charged against the Treasurer's account."

This statement of duties was obviously set forth by the United States Treasury subsequent to the periods that Bruce served. However, I believe the substance applies to Bruce and other Registers of the Treasury who were in office prior to the institution and operation of the Federal Reserve Banks as well as to those Registers who served thereafter.

Blanche Kelso Bruce was born March 1, 1841, in Farmville, Va., which is in Prince Edward County. He was born a slave to "a slave mother and white plantation owner father," according to *The New Encyclopedia Britannica*. His intelligence and intense desire to learn were noted by his owner (father). His white master's white son served as his tutor.



1896 SERIES "EDUCATIONAL" \$5 silver certificate portraying the importance of "Electricity" in the world. Signature of Register of the Treasury B.K. Bruce is at the lower left corner on the face. The back of the note portrays Ulysses S. Grant and Philip Sheridan. They affected Bruce's life by their military and political accomplishments during and after the Civil War.

He was a fast learner.

Bruce left his master and moved to Missouri during the Civil War. There were opportunities for formal education in Missouri and he took full advantage of them. At a young age, he began working in a print shop, where he read everything that came through to be printed. He later served as a teacher in Hannibal, Mo.

Attendance at Oberlin College in Ohio was, and is, reported in many reference sources about Bruce. *The Dictionary of American Biography*, Volume II, edited by Allen Johnson and Dumas Malone states: "For two years he attended Oberlin College where he pursued special courses in the fundamentals." *The Biographical Directory of the American Congress 1774-1949* contains a similar statement. However, Oberlin College officials informed me that, according to their records, Bruce was never a student at the college.

The next reported episode in Bruce's life was that he worked on a boat that operated between St. Louis and Council Bluffs, Iowa. It was circa 1868 that he became a planter in Floreyville, Miss., in Bolivar County. His diligence and business skill resulted in his acquiring large tracts of valuable land before he was 30.

Bolivar County was near the Mississippi River and was subject to periodic flooding. Bruce was concerned about the levees. He became a member of

the Mississippi Levee Board, which brought him into involvement with other public problems. Gradually, he made his way to the public and political arena.

Gen. Adelbert Ames, military governor, appointed Bruce to the post of conductor of elections for Tallahatchee County. Bruce was described at the time as: "His broad shoulders, erect bearing, and shrewdness in judgment forced respect, while his upright dealings raised him in the esteem of those around him."

Bruce began building a political base in Mississippi. He was elected sergeant-at-arms in the Mississippi State Senate in 1870, which enabled him to meet and cultivate political acquaintances from all over the state. He was appointed assessor of taxes for Bolivar County in 1871.

He became sheriff of Bolivar County and served in that office from 1872 to about 1875. He also served as superintendent of schools. He was a very busy man with a progressively higher and higher political profile.

James Hill was regarded as the most powerful African-American in the Mississippi Republican Party beginning in 1870 and many years thereafter. Hill stated that Bruce should be in the U.S. Senate about the time of the Republican National Convention in 1872.

Please see **BRUCE** Page 18

### Register Blanche K. Bruce signature combinations:

#### Legal-Tender Issues

\$1 1880 Bruce-Giffilan  
\$1 1889 Bruce-Wyman  
\$2 1880 Bruce-Giffilan  
\$2 1880 Bruce-Wyman  
\$5 1880 Bruce-Giffilan  
\$5 1880 Bruce-Wyman  
(Large Brown Seal)  
\$5 1880 Bruce-Wyman  
(Large Red Seal)  
\$10 1880 Bruce-Giffilan  
\$10 1880 Bruce-Wyman  
(Large Brown Seal)  
\$10 1880 Bruce-Wyman  
(Large Red Seal)  
\$10 1880 Bruce-Roberts  
\$20 1880 Bruce-Giffilan  
\$20 1880 Bruce-Wyman  
(Large Brown Seal)  
\$20 1880 Bruce-Wyman  
(Large Red Seal)  
\$20 1880 Bruce-Roberts  
\$50 1880 Bruce-Roberts  
\$500 1880 Bruce-Wyman  
\$1,000 1880 Bruce-Wyman

#### Silver Certificates

\$1 1896 Bruce-Roberts  
\$2 1896 Bruce-Roberts  
\$5 1896 Bruce-Roberts  
\$10 1880 Bruce-Giffilan  
\$10 1880 Bruce-Wyman  
\$10 1891 Bruce-Roberts  
\$20 1880 Bruce-Giffilan

\$20 1880 Bruce-Wyman

(Large Brown Seal)

\$20 1880 Bruce-Wyman

(Small Red Seal)

\$50 1880 Bruce-Giffilan

\$50 1880 Bruce-Wyman

\$50 1891 Bruce-Roberts

\$100 1880 Bruce-Giffilan

\$100 1880 Bruce-Wyman

\$500 1880 Bruce-Giffilan

\$1,000 1880 Bruce-Giffilan

\$1,000 1880 Bruce-Wyman

**Treasury Notes**

(Coin Notes)

\$1 1891 Bruce-Roberts

\$2 1891 Bruce-Roberts

\$5 1891 Bruce-Roberts

\$10 1891 Bruce-Roberts

\$20 1891 Bruce-Roberts

#### National Bank Notes

##### First Charter Period

\$5 1875 Bruce-Giffilan

\$5 1875 Bruce-Wyman

\$5 1875 Bruce-Jordan

\$10 1875 Bruce-Giffilan

\$10 1875 Bruce-Wyman

\$20 1875 Bruce-Giffilan

\$20 1875 Bruce-Wyman

\$50 1875 Bruce-Giffilan

\$50 1875 Bruce-Wyman

\$100 1875 Bruce-Giffilan

\$100 1875 Bruce-Wyman

#### Second Charter Period

##### Brown Backs

\$5 1882 Bruce-Roberts

\$10 1882 Bruce-Roberts

\$20 1882 Bruce-Roberts

\$50 1882 Bruce-Roberts

\$100 1882 Bruce-Roberts

##### Green Backs

(Date Backs 1882-1908)

\$5, \$10, \$20, \$50 and \$100

Bruce-Roberts

##### Green Backs

(Value Backs)

\$5, \$10 and \$20 Bruce-

Roberts

##### Gold Certificates

\$20 1882 Bruce-Giffilan

\$20 1882 Bruce-Wyman

\$50 1882 Bruce-Giffilan

\$50 1882 Bruce-Wyman

\$100 1882 Bruce-Giffilan

\$100 1882 Bruce-Wyman

\$500 1882 Bruce-Giffilan

\$500 1882 Bruce-Wyman

\$1,000 1882 Bruce-Giffilan

\$1,000 1882 Bruce-Wyman

\$5,000 1882 Bruce-Giffilan

\$5,000 1882 Bruce-Wyman

\$10,000 1882 Bruce-Giffilan

\$10,000 1882 Bruce-Wyman

1871-CC	PCGS XF-40 PQ	4300.
1872-CC	PCGS AU-53	4000.
1872-CC	NGC XF-45	2000.
1873-CC	PCGS AU-50 PQ	3500.
1873-CC	NGC XF-45	1500.
1873-CC	NGC XF-40	1350.
1874-CC	PCGS AU-53 PQ	1400.
1877-CC	PCGS AU-63	1850.
1877-CC	PCGS XF-40	850.
1878-CC	PCGS AU-50	2000.
1879-CC	PCGS VF-30	250.
1882-CC	PCGS VF-35 PQ+	850.
1883-CC	PCGS AU-50	850.
1886-CC	PCGS XF-45 PQ	1850.
1889-CC	NGC MS-60 PQ	3400.
1890-CC	PCGS AU-55	950.
1890-CC	NGC AU-55	1050.
1891-CC	PCGS AU-50 PQ+	1050.
1893-CC	PCGS XF-45	800.
1893-CC	PCGS AU-50 PQ+	1150.

1876-CC PCGS VF-30 PQ+	4300.
1883-CC PCGS XF-40	775.
1884-CC PCGS AU-50 PQ+	2700.

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**Jack H. Fisher** is a Michigan attorney who specializes in U.S. paper money, and researches the lives of those who signed or are depicted on the notes.



**PORTRAIT OIL** painting of Blanche K. Bruce at Oberlin College. (Photo courtesy Oberlin College)

## UNITED STATES ENCASED POSTAGE STAMPS

### WITH DESCRIPTIVE CHECK-LIST OF ALL VARIETIES KNOWN TO DATE

*By A. Earl Coatsworth*

The Encased Postage Stamp represents perhaps the most novel idea ever employed in attempts to substitute something of genuine value for shrinking supplies of standard governmental issues of coins. Most numismatists, and probably many philatelists, are familiar with the opinion frequently expressed, that encased stamps are the connecting link between their two sciences. However, logic classifies these issues definitely as numismatic in character, for once encased, the stamp could no longer serve the purpose for which it was intended, but had become an acceptable substitute for money.

The encased stamp is one of a large variety of emergency money issues produced by individuals, business establishments and the Federal Government during the Civil War years in the United States. Originating with the suspension of specie payments by banks, a wave of hoarding of gold, silver and copper coins swept over the country, due to the desire of the timid to salvage something of intrinsic value from the threatened wreck of the Union, and to speculators who hoarded what they hoped would soon command a large premium. In fact, large amounts of silver were exported to Canada and South America, and businessmen in many instances paid premiums of 10% to 12%

for small quantities of silver coin for use in making change. Under these circumstances, practically anything which represented the price of goods or services circulated as money, in a restricted measure. This included such items as due bills, stage and street car tickets, theatre tickets, milk tickets, etc. Soon merchants were issuing token cards, simulating minor coins; generally these were redeemable by the merchants whose names appeared upon the tokens, but they passed from person to person in general circulation. At an early stage in the crisis, postage stamps began to take the place of small change, first in loose form, next when pasted upon cards, then when contained in envelopes, and finally when presented in the form we know as encased stamps. Thus, the direct forerunner of the encased stamp was the cheap little paper envelope, upon which was marked the total value of the stamp or stamps enclosed, and usually bearing patriotic devices and business advertisements. About one hundred varieties of these envelopes have been identified, all issued in the eastern cities of New York, Albany, Brooklyn, Jersey City and Philadelphia. They led to encased stamps and later in turn to postage currency and fractional currency.

Obviously these early means of using stamps as money were quite unsatisfactory; they were fragile, soiled easily, and were difficult to handle due to their gummed backs. The encased stamp is a simple device, yet a tribute to American ingenuity. It consists simply of two round pieces of brass, one in the form of a flat shell or disc, the other a broad rim. These were pressed together to form a case, which enclosed a postage stamp protected by a covering of transparent mica. The result is a round, flat case, with a smooth edge,

measuring 15/16ths of an inch in diameter and about 1/64th of an inch in thickness. The rim section is approximately 1/16th of an inch in width, so that most of the surface of the stamp is exposed to view. Evidence indicates that probably all of these cases were made by the Scovill Manufacturing Company of Waterbury, Connecticut, who employed an old-fashioned flat-button machine in the process. This same company had produced many of the "Hard Times" tokens of the Jackson era, and during the Civil War period they made many tokens, cards and medals, and possessed a virtual monopoly in the manufacture of military, naval and fancy buttons.

Certain stamps appear with frames which indicate that the flat metal had been scored with cross-lines; these are commonly called "ribbed frames" and were probably so made in order to temper the brittleness of the brass used. Other specimens appear to have been finished with a light coating of silver and are usually advertised as "silvered" copies; in reality these pieces were washed or dipped in a solution of tin. Most issues show milling around the edge, just within the circumference of the reverse; this evidently played a part in the process of crimping and pressing the two sections into one.

In the general history of our nation, the brief career of the encased stamp is an insignificant episode and of little consequence; however, to numismatists, especially those interested in the study of necessity issues, it represents the most important link in a series of events which led to the first and only issue of fractional currency by our national government; and this in turn probably averted commercial catastrophe due to the lack of normal amounts of specie in circulation.

The idea of enclosing the stamp within a metal case was conceived by a certain John Gault of Boston, Massachusetts. To him was granted United States Patent number 1627, on 12 August 1862, for a "Design for Postage Stamp Case . . . being an invention new and original, designed for encasing Government stamps for currency." We know nothing of Gault's personal life or his business previous to this time; but it does not matter, for he achieved his small niche in history. His idea developed into immediate success and promised to net a fortune. So heavy was the demand for his product that he soon exhausted the supplies of stamps in the larger cities and the government was forced to refuse to sell to him. In the meantime his venture undoubtedly influenced the government to consider the enactment of legislation to legalize the use of stamps as money. Thus, the Act of 17 July 1862 outlawed issues of tokens and similar substitutes, intended to circulate as coins, and authorized the regular issue of Postage Currency. Fractional Currency followed soon thereafter and Gault was thus driven out of a business which, in his own words, "could have made a million dollars in a year." His entire output was achieved during the months of July and August 1862.

Gault's original issues bear only his name "J. Gault" and "Pat 12 Aug. 1862," in small incused characters near the circumference of the plain metal reverse of the case. Almost immediately he conceived the idea of selling this space to advertisers; the response was so successful that he moved to New York in order to obtain larger quantities of stamps and to be nearer to his expanding market. There he also joined in partnership with a certain Kirkpatrick, although Gault re-



tained sole title of his patent. The new firm issued cases bearing this inscription (in part): "Applications for advertising on this currency to be addressed to Kirkpatrick and Gault, No. 1 Park Place, N.Y." The characters are in raised letters, as on all issues except Gault's individual case, as noted above.

Gault's unique advertising medium attracted thirty customers; that number of firms purchased his encased stamps with their advertisements embossed upon the reverses. This figure includes Gault himself and his partnership. However, the firm of Ayer's issued three different reverses and Burnett's issued two. And to this list is added the product of G. G. Evans of Philadelphia, who manufactured his own stamp cases; plainly an infringement upon Gault's patent rights. Thus if a few minor variations are discounted, thirty-four general types of reverses are known and listed. The thirty-one advertisers were located as follows: New York, 12; Boston, 4; Cincinnati, 4; Philadelphia, 3; Chicago, 2; Evansville, Indiana, 2; and one each in Detroit; Lowell, Massachusetts; Hopkinton, Rhode Island; Peoria, Illinois; and Montreal, Canada. The following businesses are represented by the number of cases indicated: dry goods, 6; drugs, 6; hats and caps, 3; liquors, 3; hotels, 2; advertising, 2; and one each for clothing, banks, bread, jewellery, fancy goods, groceries, periodicals, life insurance and metal wares.

There are a few minor varieties in these cases which are worthy of mention. The principal parts of the inscriptions found on the three different cases issued by the Ayer's patent medicine people are, "Ayer's Cathartic Pills," "Take Ayer's Pills" and "Ayer's Sarsaparilla." The "Cathartic" case was issued with a decoration of two arrow-heads beneath the inscription,

which vary in length from 5 mm. on some specimens to 6 mm. on others; these are generally referred to as "long" and "short" arrows. On the "Sarsaparilla" case the word "Ayer's" is found in lettering of three sizes and is generally referred to as "large," "medium" and "small" Ayer's.

There are two varieties of cases issued by Joseph L. Bates of Boston—one with the inscription including "Fancy Goods" (two words), with a period after the word "Boston"; the other spelling "Fancygoods" as one word, with no period after "Boston."

The cases issued by the North American Life Insurance Company show two varieties—with the word "Insurance" in a straight arrangement on some, curved on others. On all issues the reverse is straight with the obverse, except that of Hunt and Nash, on which the reverse is "upset." Including the minor varieties just enumerated, a recapitulation at this point reveals a total of thirty-nine varieties in the inscriptions found on the reverses of the series. If the collector wishes to consider "ribbed frames" as varieties, he may increase this figure from 39 to 63, as there are 24 issues definitely established as "known" in this condition.

However, upon turning our study to the obverses of the series, we may multiply this number several times, due to the fact that various denominations of stamps were circulated in these cases. A full set includes stamps of the following values: 1c, 2c, 3c, 5c, 10c, 12c, 24c, 30c, and 90c, although it is questionable to include the 2c stamp, as will be explained later. Excluding this denomination, full sets from 1c to 90c were issued by five different firms, whereas one firm issued only the 1c stamp, and the others two or more different values. Invariably, the stamps of the higher

values are rarest, sometimes unique; this is probably due to the fact that Gault prepared complete sample sets for some of his clients, who then selected only a part for their own circulation. The total of all varieties known to date is 222, again excluding the 2c denomination.

The stamps circulated in these cases were of the issue of 1861, the third regular issue of government postage stamps, and the only stamps valid at that time, since the series of 1847 and 1851 were demonetized in November and December 1861, and January 1862, depending upon the distance from Washington. This action was necessary because the Confederacy seized all stamps within their territory and adopted them for their own postal use. A table is appended hereto which describes in detail the various stamps used in Gault's cases.

To the list of varieties noted here, another lot may be added, although its present existence is not certain. It is a matter of record that Gault presented a full set of gold frames to President Lincoln. Since the location of this set was not known, it was thought that the pieces were among the ten thousand items from the President's estate which were presented to the government (Library of Congress) by his son, Robert Todd Lincoln. By the terms of the gift, the collection was to be kept under seal until 21 years after the donor's death; since the seals were broken on 26 July 1947, no published record has indicated that the Gault cases were included.

There are two specimens known of the 2c stamp in Gault's cases. Dealers who have presented this item for sale have taken great pains to insist upon its authenticity; however, there is no logic in their argu-

ment. This stamp, black in colour, with a portrait of Jackson, is part of the issue of 1861, but was not actually issued by the Post Office Department until 6 July 1863, or practically a year after Gault was out of business. It is the opinion here that the origin of this item is too questionable to include it in a classification of genuine issues.

Sometimes a general list of encased stamps may include the rather well-known rectangular copper case which enclosed a strip of three three-cent stamps. This too should be omitted from any authentic list, since substantial evidence indicates that this case was the fabrication of a speculator who operated about forty years after Gault. Occasionally there comes to light a freak specimen containing a revenue or envelope stamp, or a regular postage issue other than that of 1861; these may be ignored, as they were never issued by any advertiser and were probably experiments on the part of employees at the manufacturing source. The list appended hereto includes every authentic issue known to date.

The method of joining the two sections of the cases makes them practically tamper-proof. The rare 90c stamp issues have frequently been shown to be false, as the cases bear the marks of tampering by some persons who substituted the rarer stamps for the original common varieties.

This series, while generally neglected, has attracted several of the foremost United States collectors; however, even the finest collections have not been complete. In addition, condition is at a high premium in this particular field, as most specimens usually seen have tarnished cases, the stamps are faded or soiled, the mica covers are broken or cracked and the original

"silvering" has disappeared entirely. Needless to say, the series contains many issues which are extremely rare; in fact, any specimen found today which is perfect in every respect is a rarity in itself.

MATT H. ROTHERT  
656 GRAHAM ST. N. W.  
CAMDEN, ARKANSAS 71701

Dec. 3, 1969

Mr. Rocky Rockholt,  
1489 Clayridge Ave  
St. Paul, Minn. 55119

Dear Mr. Rockholt -

I have seen the display of the 10<sup>x</sup> Meredith with the various satirical hats, beards etc. but I did not appreciate the coloring and changing of good U.S. fractional into laughable characters, like some do with the Indian on the buffalo nickel. To me they have no value.

As to, "large brown," "dark rich purple brown," seals approximate values for Crisp News are! -

R. # 117 new \$150.00 (V. fine about \$75.00)

R. # 122 V. fine \$75.00 new 150.00

R. # 127 V. fine 150.00 new 250.00

R. # 132 V. fine 150.00 new 250.00

As to your interest, I'm glad to hear of it, - on page 77 of my book is a list of books you should read, also read my article in the August 1964 issue of "The Numismatist" P. 1027. I believe all of these can be obtained from the A.N.A. library and possibly they can suggest others.

Happy Holidays, Sincerely Matt.